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I. ORGANIZATIONAL MATTERS

1. The President, H. E. Mrs. Annette des Iles (Trinidad and Tobago), opened the third regular session 1996 of the Executive Board. She assured the Executive Board that with the help of the members of the Bureau she would continue to do her best to ensure that meetings would run as smoothly as possible. She depended on the participants to ensure the successful and timely completion of the work of the session.

2. She informed the Executive Board that Mr. Jimmy Blas, Second Secretary of the Permanent Mission of the Philippines to the United Nations, would replace Ms. Cecilia Rebong as Vice President of the Board and Asian Group coordinator during the present session, when she would be absent from New York.

3. The President noted that a new item, the draft work plan for 1997 for the Executive Board, would be considered at the session. The work plan offered an opportunity to re-think the way the Board operated and to tackle issues related to the role and operations of UNDP and UNFPA, with the objective of making their contributions to development cooperation more useful and effective. Continued improvements through preparation of rules of procedure and other measures to use available time effectively were also being undertaken. She also noted that a light system on the podium had been instituted to regulate the length of speaker's statements. The system would be utilized to remind delegations that limited time was available and should be devoted to issues directly relevant to the item under discussion.

4. The President informed the Executive Board that since the annual session of the Board, the Bureau had held four meetings, on 31 May, 25 July, 26 August, and 9 September. The Bureau had decided on the scheduling and chairmanship of the ad hoc working group on rules of procedure established in accordance with Executive Board decision 96/25, and the documentation to be prepared by the secretariat for the initial work of the working group. The Bureau had been consulted on the process of preparation by the secretariat of a draft work plan for 1997. Informal consultations had been held on UNDP and UNFPA financial issues, on the report on the evaluation of UNIFEM, on the UNFPA information strategy, and on harmonization of budget and accounts. The ad hoc working group on rules of procedure had held three meetings, on 13 and 14 June and 29 August. The members of the Programme had met in an informal consultation on the 1997 Human Development Report. Following discussions, the Bureau had reviewed proposals on Board field visits in 1997. It had also reviewed the agenda for the session and had made a number of proposals regarding the work plan, which had been presented to the pre-session informal briefing held on 26 August.

5. The Administrator welcomed the participants and stated that he looked forward to a useful and productive session. He drew attention to items that would be taken up within the UNDP segment, and encouraged participants to attend the informal briefing on the internal change management process in UNDP, an exercise that would have a major impact on the proposals to be made to the Executive Board at the annual session 1997. He commended Board members who had worked on the draft work plan for 1997, a process that would streamline the Board's work. With regard to resources, the Administrator stated that UNDP anticipated that in 1996 all traditional donors would sustain or increase

contributions, with the exception of the United States. He thanked the Government of Italy for announcing that it would make a higher contribution in 1996 to UNDP core resources than it had originally pledged, representing a 10 per cent increase over the 1995 contribution.

6. The Administrator informed the Executive Board that he had recently participated in the High-Level Seminar on African Development, held in Tokyo, and in the annual meeting of Nordic countries on UNDP held in Helsinki. In June, he had paid official visits to Armenia, Azerbaijan, Georgia, Slovakia and Turkey, and had participated in the regional meeting of resident representatives from the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) region. He noted that the RBEC meeting was the last in a series of regional meetings, at which the new programme directions of UNDP had been discussed. He was very impressed with the quality of resident coordinators and resident representatives and their staffs, as well as the unique nature of the country office network, calling it an irreplaceable resource. He also commented on the $617 million pledged by donors at the round-table meeting for Rwanda in June, the UNDP involvement in the Habitat II conference, the opening of a UNDP office in Sarajevo, UNDP assistance to countries facing natural disasters, the 30 July signing of a cooperation agreement with the International Monetary Fund, the 17 July launching of the Human Development Report 1996, and the recent agreement with the Hewlett Packard company for the sustainable development network in programme countries. He also emphasized that UNDP had moved forward with its poverty eradication mandate, noting initiatives taken at the country level. An information kit on poverty eradication would be distributed to the Board at the present session.

7. The Secretary of the Board introduced documents DP/1996/L.16 and Add.1. She noted that all official documentation had been submitted in accordance with the set deadlines. The conference room papers had been provided in the three working languages. Document DP/1996/CRP.16 was for the use of delegations in conjunction with the UNDP informal session on change management to be held on 11 September. An informal briefing with the UNFPA country representatives from Cambodia and Honduras would be held on 12 September.

8. The Executive Board approved the following agenda for its third regular session, as contained in document DP/1996/L.16:

Item 1. Organizational matters

Item 2. Matters relating to rules of procedure, documentation and the functioning of the Executive Board

Item 3. Annual work plan for the Executive Board 1997

UNDP segment

Item 4. UNDP: Matters relating to programming cycles: Follow-up to Executive Board decision 95/26

Item 5. UNDP: Financial, budgetary and administrative matters (including follow-up to Executive Board decision 96/21 on the Office of

United Nations System Support Services and report on the activities of the Inter-Agency Procurement Services Office)

Item 6. United Nations Office for Project Services

Item 7. UNDP: Country programmes and related matters

Item 8. United Nations Development Fund for Women: Follow-up to Executive Board decisions 95/18 and 95/32

UNFPA/UNDP segment

Item 9. UNFPA/UNDP: Harmonization of presentation of budgets and accounts

Item 10. UNFPA/UNDP: Report on field visit of the Executive Board

UNFPA segment

Item 11. UNFPA: Financial, budgetary and administrative matters

Item 12. UNFPA: Country programmes and related matters

Item 13. UNFPA: Oral report on inter-agency coordination in health policy and programming

Item 14. Other matters

9. The Executive Board approved the work plan, contained in document DP/1995/L.16/Add.1, as orally amended.

10. It was noted that the report of the annual session 1996 (DP/1996/19) had been approved at that session on 17 May.

11. Delegations commented on a paper distributed by the secretariat on the allocation of subjects for the first regular session 1997 and the dates for 1997 sessions. Some delegations noted the extensive amount of time needed to discuss UNDP country cooperation frameworks (CCF) and UNFPA country programmes. One speaker asked that the "no-objection" system be strictly enforced in 1997 given the large number of programmes that would be before the Executive Board for approval. One delegation proposed that if five or more countries indicated in writing that they wished to speak on a particular CCF then the discussion should be held outside of the normal meeting hours. Another speaker underlined the need to have the necessary documentation available on time. He noted that it would be difficult to set a deadline two weeks ahead of the Board session for delegations to indicate their intention to intervene. Another speaker suggested that upon receipt of five written requests for consideration of a CCF, the relevant country office could be alerted.

12. One delegation requested that the report requested in decision 96/40 on management, accountability and the Reserve for Field Accommodation be considered together with the report on the UNDP accountability system at the first regular

session 1997. The Secretary noted that the proposal on the merger of the reports would be considered.

13. The Executive Board approved the dates of the sessions for 1997, taking into account the comments made. One delegation noted that the number of sessions held would be decided at the first regular session 1997, concurrent with the adoption of the rules of procedure for the Executive Board.

14. The Executive Board approved the allocation of subjects for the first regular session (13-17 January 1997).

15. The Deputy Executive Director (Policy and Administration) of UNFPA, on behalf of the Executive Director and UNFPA staff, expressed his appreciation to the members of the 1996 Executive Board. The Fund had taken note of the ways to improve its work. He also thanked the members of the Bureau and the secretariat of UNDP. He looked forward to continued collaboration between UNFPA and the Board.

16. The Administrator thanked the Executive Board for its seriousness and professionalism as well as for its achievements during 1996. He also recognized the outgoing and incoming members of the Executive Board and paid special tribute to the President and the Vice Presidents for their commitment.

17. The representative of Canada, one of the Vice Presidents, on behalf of the Western European and Other Group, thanked the President and other Bureau members, the other members of his regional group, the Administrator, the UNFPA Executive Director, the Executive Board secretariat and his Canadian colleagues, for their support throughout the year.

18. The President thanked all of those involved with the 1996 Executive Board, including the UNDP and UNFPA leadership and staff members, and all the Executive Board and Bureau members.

II. MATTERS RELATING TO RULES OF PROCEDURE, DOCUMENTATION AND THE FUNCTIONING OF THE EXECUTIVE BOARD

19. The representative of Spain introduced the final report of the working group on documentation (DP/1996/26) issued pursuant to Executive Board decision 96/6. Gratitude was expressed to the secretariat staffs of UNDP, UNFPA, UNICEF and the United Nations Office of Conference and Support Services (UNOCSS) for their valuable contributions to the working group. The working group had taken into account comments made by various delegations during the discussion of the item at the annual session 1996. The goal of the working group had been to achieve the timely distribution of documents in all official languages without negatively affecting the smooth functioning of the Executive Board. The draft decision included in the document provided guidelines on the length of documents, timing for submission of documents, and distribution in "yellow" copies. He noted that provisions were being considered to circulate documents electronically in the future.

20. Many delegations thanked the working group for its report. Several speakers expressed reservations on some of the provisions in the draft decision. Differing views were expressed on the provision that the Executive Board could decide to refuse to consider a report that exceeded the number of pages set out in the annex to the decision. Some speakers requested more flexibility in the consideration of documentation, including the allowance for the Executive Board to reserve the right to consider a document if it so chose even if page limitations were exceeded. While several delegations supported page limitations, without strict enforcement, others strongly advocated the instituting of firm guidelines on document length. It was suggested that the Executive Board could request more information beyond that included in the documentation when needed. Several delegations underlined the need for attention to good quality and relevance of documentation. One delegation proposed that statistical information be included in annexes. Support was expressed for the proposed length of the summary of each document.

21. The need for submission of documents by UNDP and UNFPA to UNOCSS 10 weeks prior to the start of a session was also questioned by some speakers while others supported the provision, stating that it enabled them to work more effectively. Several delegations advocated the electronic distribution of documentation as cost-effective and efficient. One delegation asked that advance copies of documentation referred to in paragraph 6 of the draft decision be made available in English rather than the language of submission, as stated in the document. Another delegation requested that observers receive documentation automatically without having to make the request in writing. It was also suggested that reports should be marked for action by the Executive Board or for information. One delegation, noting the small size of the UNDP editorial unit and addressing the Administrator, queried whether the Executive Board Secretariat resources were adequate.

22. The Executive Board approved the following decision:

96/45. Documentation

The Executive Board

1. Recalls the importance of strict observance of the resolutions and rules establishing language arrangements for the different bodies and organs of the United Nations, in particular General Assembly resolutions 50/11 and 50/206;

2. Decides to establish page limits for documents to be submitted to the Executive Board, as contained in the annex to the present decision;

3. Requests the Administrator and the Executive Director to continue to uphold and seek to improve the quality of the reports submitted to the Executive Board, making them more concise and action-oriented and to enforce, where appropriate, the page limits set out in the annex to the present decision;

4. Decides that:

(a) Reports over five pages long (excluding country programming documents) shall have an executive summary;

(b) Statistical annexes, tables, case studies and similar documentation shall, to the extent possible, be presented in addenda to the main document;

5. Also decides that any report exceeding the number of pages set out in the annex to the present decision shall be considered only on an exceptional basis and if duly justified to the Executive Board;

6. Requests the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Population Fund to comply with the six-week rule established by the General Assembly and most recently reaffirmed in its resolution 50/206 by undertaking all possible efforts to ensure that documents are submitted to the United Nations Office of Conference and Support Services 10 weeks before the start of a session; and to maintain close coordination with the United Nations Office of Conference and Support Services in all matters pertaining to the submission and issuance of documentation, including the electronic distribution of documentation submitted to the Executive Board;

7. Decides, on a temporary basis, that in cases where a report has not been issued in all languages six weeks before the start of a session, the secretariat may distribute advance copies of the report at that time to the members of the Executive Board, including through electronic means where possible, in the language of submission; and that such documentation be also made available to observers at the same time;

8. Requests the Administrator and the Executive Director to examine whether current staffing levels in the respective secretariats are adequate to meet the provisions approved in the present decision for quality, length and timely distribution of documentation;

9. Calls upon all members of the Executive Board to exercise restraint in requesting reports and policy papers and to consider the possibility of greater use of oral reports;

10. Reaffirms the principle of the simultaneous distribution of all conference room papers in the three working languages before the start of or during a session.

13 September 1996

Annex

PAGE LIMITS FOR REPORTS SUBMITTED TO THE EXECUTIVE BOARD

UNDP

1. Policy papers shall not exceed 15 pages;

2. Country cooperation frameworks shall follow a common format and shall not exceed the range of 6-10 pages;

3. Reports concerning budgetary and financial matters shall not be subject to the 15-page limit but shall nonetheless be as concise as possible, with due regard to the need to present statistical annexes and data in addenda to the main document in line with paragraph 3 of the present decision.

UNFPA

1. Policy papers shall not exceed 15 pages;

2. New country programmes shall not exceed the range of 6-10 pages;

3. Requests for extensions and/or additional resources for country programmes shall not exceed the range of 3-5 pages;

4. Reports concerning budgetary and financial matters shall not be subject to the 15-page limit but shall nonetheless be as concise as possible, with due regard to the need to present statistical annexes and data in addenda to the main document in line with paragraph 3 of the present decision.

Rules of procedure

23. In accordance with Executive Board decision 96/25, the President presented the interim report on the progress achieved by the ad hoc open-ended working group on rules of procedure, contained in document DP/1996/CRP.12. The working group, chaired by Ms. Cecilia Rebong of the Philippines, Vice President of the Executive Board, had convened meetings on 13 and 14 June and 29 August, completing a first reading of the draft rules of procedure prepared by the secretariat. A chairperson's text would be presented to the next meeting, to be held in early October 1996. A compilation text of comments received in writing and made orally at the meetings would be available. It was anticipated that a final draft of the rules of procedure would be presented at the first regular session 1997.

24. One delegation had reservations on convening meetings of the working group in October 1996, when there would be a number of conflicting meetings of United Nations bodies. The Secretary noted that in order to comply with the deadlines for submitting documentation in time for translation into the United Nations official languages and in order to present the draft rules of procedure to the

first regular session 1997, the working group would have to conclude its work by the end of October 1996.

25. The Executive Board took note of the interim report on the progress achieved by the ad hoc working group on rules of procedure (DP/1996/CRP.12).

III. ANNUAL WORK PLAN FOR THE EXECUTIVE BOARD 1997

26. The Secretary of the UNDP/UNFPA Executive Board recalled that in Executive Board decision 96/25, adopted at the annual session 1996, the Board had decided to introduce the work plan as a tool to enhance its working methods. An outline of issues that could be considered by the Executive Board in 1997 would be reviewed at the current session. She noted that a preliminary draft of the outline had been discussed by senior managers at UNDP and UNFPA. It had then been distributed at the pre-session informal meeting of the Board on 26 August, with comments incorporated to the extent possible into the current version, contained in document DP/1996/CRP.13. Following consideration of the document at the current session, and based on the guidance of the Executive Board, it was hoped that a revised draft work plan would be presented for approval by the Board at the first regular session 1997.

27. The Secretary gave an overview of the organization of the draft outline and the tables contained therein. She noted that the tables had been prepared on the basis of the respective organizational plans of UNDP and UNFPA and what each organization considered as its main objectives for 1997, taking into account the main decisions of the Executive Board and relevant resolutions of the General Assembly and the Economic and Social Council. The organizations had also used the opportunity to consolidate a number of reports that formerly came under separate items or reporting procedures, and in some cases proposed their rescheduling. As requested by some delegations, the reports had been re-grouped under items "for action" and "for information" and those items proposed for consideration at the annual session and those that could be reviewed at regular sessions. The nature of the report and the deadline for preparation of the reports by each organization was also indicated. The notation of "target date" on table 4 was to be replaced with "deadline for preparation of report". The deadline was established on the basis of the present seven- or nine-week submission deadline. An agenda for the first regular session 1997 was proposed in the annex to the document.

28. The Assistant Administrator and Director of the Bureau for Resources and External Affairs of UNDP stated that much thought and consultation had gone into the preparation of the draft outline of issues. He emphasized that senior management of UNDP was committed to the successful implementation of the plan. The organization welcomed the initiative of the Executive Board to structure its work around commonly agreed-upon priority issues in order to help and support UNDP in its efforts to ensure sustainable human development and to elevate its debate at the policy and strategy levels and to avoid micro-management. He then gave an overview of the proposals contained in the conference room paper. He stated that it would be useful to review the preparation of reports for the Board with a view to making them more concise, more policy and strategy

oriented, and a better tool for helping the Board in its decision-making process.

29. The Deputy Executive Director (Policy and Administration) of UNFPA stated that the outline of the work plan would place priority issues in perspective for the Executive Board. He explained how the Fund had drawn up the outline, as UNDP had done. The Fund attached great importance to the development of the work plan and looked forward to an exchange of ideas on meeting the Board's request. An initial brainstorming meeting had been held, followed by the compilation of a preliminary list of priority issues that had been discussed by senior management. At a second meeting, the concepts had been refined and placed in thematic areas and reviewed in the context of the priorities arising from the International Conference on Population and Development (ICPD), as approved by the Executive Board. The concepts were grouped according to five major themes, as shown, although they were closely interconnected. The five themes presented in the document were: programme priorities; programme implementation; programme support; resources; and budgetary and financial issues. The Deputy Executive Director pointed out that the accomplishment of all themes depended on the approval of the biennial administrative and programme support services (APSS) budget, which would be brought before the Board in 1997. That issue was, therefore, a priority area in the consideration of budgetary and financial issues.

30. Many delegations thanked the secretariat for the outline of issues for the work plan. It was noted that the plan aimed to strengthen the working methods of the Executive Board and reduce micro-management. Speakers made both general comments on the use of the plan as well as specific remarks on the tables and subjects included.

31. Many speakers noted that the work plans as presented included a large number of topics and called for greater prioritization by both UNDP and UNFPA among the subjects included for consideration. In the case of UNDP, the importance of poverty eradication as a major objective was underlined by many delegations. One speaker suggested that poverty eradication could be broken down into methodological, thematic and geographic issues. Some noted the importance of 1997 as the first year of the new programming arrangements. It was requested that the plan include flexibility to add items during the year.

32. Several delegations requested that the subjects for consideration by the Economic and Social Council in 1997 contained in paragraph 54 of General Assembly resolution 50/120, specifically, capacity-building, field and regional level coordination, and resources, be included as priority issues in the work plan 1997. With regard to resources, targets and a programme-funding strategy should also be discussed, particularly in light of the provisions of Executive Board decision 95/23.

33. It was emphasized that at the annual session the Executive Board should concentrate on policy issues, since there was representation among delegations from capitals. For the annual session, the Board must have balance and prioritize the items for consideration. The inclusion of the item on change management was welcomed. The need to stagger the consideration of the large number of country cooperation frameworks and UNFPA country programmes was also

underlined. The format of UNFPA country programmes could also be examined. One delegation suggested that UNDP and UNFPA issue joint reports or hold joint presentations on items such as gender in development, support to the resident coordinator system, and capacity development.

34. The need for UNDP priorities ultimately to have an effect at the grass-roots level in developing countries was underlined by one delegation. The ratio of benefit to administrative costs of interventions and accountability to taxpayers and people at the grass-roots level must be examined. That delegation also emphasized the need for a strategy on multilateral-bilateral cooperation. The annual report, a useful product for encouraging greater understanding among the public and government decision makers, must be available in languages in time for use by donor countries. It was important to include data on income, impact at the grass-roots level and success stories. Further discussion on the annual report was needed. Information on problems faced by UNDP in its cooperation with other United Nations entities was also needed.

35. One delegation proposed that the main programme record of the annual report of the Administrator include five chapters: one for each of the four UNDP focus areas and one for programme management issues. Information on UNDP activities with regard to the United Nations System-wide Special Initiative for Africa could be included in the report on the role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s. One delegation requested that a report on interregional cooperation be included in the table listing reports to be considered in 1997, as discussed at the annual session 1996.

36. Several other items listed in the document as "for information" could be "for action", such as the reports on the United Nations Capital Development Fund, harmonization of budgets and accounts, the revised budget estimates for UNDP and the budget of the United Nations Office for Project Services. Some delegations suggested that the report to the Economic and Social Council be issued for information rather than action and not be discussed in detail by the Executive Board, but rather by the Council. The report on support to the resident coordinator system could be included in the annual report of the Administrator. One delegation requested inclusion of information on follow-up to Council resolution 95/56.

37. Several delegations underlined the need for separate reports on the topic of evaluation, even if issued as addenda to annual reports of the Administrator or Executive Director. The holding of periodic briefings on strategic evaluations was another option. One speaker suggested that the discussion on management of change include the topic of further downsizing. One delegation requested an annual report on evaluations and accountability in addition to ad hoc reports and circulars on administrative actions taken. One delegation requested that in the annual report on evaluation and oversight, UNDP make specific comments on the actions it had taken on Board of Auditors, Joint Inspection Unit, Office of Internal Oversight Services, and internal audit/investigation reports and recommendations. Consequently, the Associate Administrator stated that UNDP would have an annual report on evaluation and oversight.

38. Specific comments concerning UNFPA related to defining one main theme for the UNFPA segment of the annual session 1997. Increasing South-South cooperation and greater emphasis on capacity development were topics that were mentioned as being important in addition to the ones already outlined by the Fund. One delegation stated that it was important to follow the core programme areas approved in Executive Board decision 95/15 when presenting issues to the Board.

39. In connection with the discussion on the work plan, one delegation emphasized the need for UNDP to cooperate with the World Bank, the Asian Development Bank and the World Trade Organization in the field of job creation.

40. In response to queries from delegations, the UNDP Assistant Administrator said he would not address each comment, but consider the discussion as part of an ongoing dialogue with the Executive Board. There would be more opportunities prior to the first regular session 1997 to hold informal discussions on the work plan with a view to presenting the final plan at the first regular session 1997, which would incorporate the comments made at the current session. Explanations would be provided in cases where comments could not be incorporated. He noted the general agreement and positive reaction to the priorities included in the work plan. Further refinement of the organization of the annual session would be undertaken. The volume of work would be examined, with a view to consolidating reports as much as possible. He agreed that the Board should function flexibly, with the ability to add new items and with a view to being responsive to both donor and programme country needs.

41. The Deputy Executive Director of UNFPA noted that the main focus of the UNFPA work plan 1997 was reproductive health and reproductive rights, in accordance with the three main priorities designated by the Executive Board. A comprehensive report on evaluation would be issued in 1998, therefore the Fund had not proposed one in 1997. It had been planned that major findings on evaluation would be included in the annual report of the Executive Director in 1997. He agreed with the need to remain flexible regarding the work plan, in order to reflect new programme issues and ones that could emerge. He also agreed that the Board should focus on strategic rather than operational issues.

42. The Executive Board took note of the outline of issues for 1997 (DP/1996/CRP.13) and the comments made thereon.

IV. MATTERS RELATING TO PROGRAMMING CYCLES: FOLLOW-UP TO EXECUTIVE BOARD DECISION 95/26

43. The Associate Administrator introduced the report on the implementation of Executive Board decision 95/26 (DP/1996/27), concerning the financing of the independence bonus to eligible countries. He noted that the inclusion of Ukraine in footnote 1, which had been added by mistake, should be deleted. In its decision 95/26, the Board had granted the independence bonus to 15 eligible countries, with a sixteenth added subsequently. The first tranche of the independence bonus of $4.2 million had been released and the Administrator proposed that the remaining balance of $10.3 million in bonus amounts be released. The release of the remaining balance would ensure equal treatment in

line with past awards of the independence bonus and take into account Board decisions granting additional fifth cycle resources to some programme countries on an exceptional and one-time basis.

44. One delegation expressed gratitude for the report and noted the excellent cooperation between his country's Government and UNDP. The Resident Representative in his country had received national recognition in 1996. He proposed that the Executive Board discuss at a regular session in early 1997 the issue of the location of the Regional Bureau for Europe and the Commonwealth of Independent States, suggesting that it could be located in Geneva or Vienna, closer to the countries of the region it covered.

45. The Executive Board took note of the report on the implementation of decision 95/26 (DP/1996/27).

V. UNDP: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

46. The Administrator, in opening the discussion, underlined the key items to be considered: the harmonization of budget presentations among UNDP, UNFPA and UNICEF; the proposed revised budget estimates for 1996-1997; the annual review of the financial situation, particularly the issue of the increased balance of general resources; and the management issues related to the Reserve for Field Accommodation. In addition, he introduced the proposed framework for enhancing accountability in UNDP. He also referred to the conference room paper (DP/1996/CRP.18) on the activities of the Office of United Nations System Support and Services (OUNS) in support of the resident coordinator system, as requested by the Executive Board in its decision 96/21. He indicated that the paper contained a description of UNDP work in follow-up to international conferences and the United Nations System-wide Special Initiative for Africa. He was confident that the limited investment authorized by the Executive Board for the establishment of OUNS had proven to be well justified. In conclusion, he expressed his personal assurance that the issues addressed by him were of utmost importance to UNDP and were receiving priority attention.

Annual review of the financial situation, 1995

47. In his opening remarks on the annual review of the financial situation, the Administrator addressed the issue of the increase in the balance of general resources, which had resulted from lower-than-expected core programme delivery. He explained that the contributing factors and the steps taken to improve the situation were described in detail in conference room paper DP/1996/CRP.19. He emphasized that the delivery situation was not generalized, as some 16 countries had accounted for most of the underdelivery. Cut-backs in fifth programming cycle resources, coupled with a one-year lag in the approval of the successor programming arrangements, had fostered a loss of programming momentum. Other factors included the adjustments needed to implement the programme approach, the increase in national execution, and the need to reorient activities to UNDP focus areas, emergencies and special situations.

48. He indicated that management actions had been taken to accelerate delivery and thereby reduce the balance of general resources over the next three years.

Those actions included borrowing and advanced programming under the new target for resource assignment from core (TRAC) system to ensure the necessary level of programme build-up; special programming missions; training and substantive support in the focus areas; and greater flexibility, decentralization, and simplification of procedures. The efforts were being bolstered by an ongoing change management process in UNDP.

49. He further explained that the actions had been taken based on the assumption that core resource contributions would be at least $3 billion over the 1997-1999 period. However, if that level of voluntary contribution was not reached, the accelerated pace of delivery would not only absorb the outstanding balance of resources, but would likely require UNDP to use its operational reserve and cut-back in programming levels, thereby disrupting the progress of planned and ongoing activities.

50. The Administrator, emphasizing the perpetual resource dilemma that UNDP faced of having to plan and programme project activities over several years, based on a system of annual voluntary contributions, provided his personal assurances of continuing to pay close attention to minimizing the balance of resources by maximizing delivery, without compromise to programme quality and focus. He urged the Executive Board to renew its commitment to secure an appropriate level of core resources for UNDP that would enable it to plan on the basis of assured contribution targets.

51. Following the introductory remarks of the Administrator, the Assistant Administrator and Director, Bureau for Finance and Administration, introduced the report of the Administrator on the annual review of the financial situation, 1995 (DP/1996/28 and Add.1, 2 and 4).

52. With regard to the financial situation of UNDP, the Assistant Administrator reported that total income received by UNDP in 1995 from all sources had declined by $17.7 million from the previous year, including voluntary contributions, which had declined by 3 per cent. Total expenditure for 1995 had also declined as a result of a lower-than-anticipated level of programme delivery despite an increase in cost-sharing expenditure. He indicated that, as income had exceeded expenditures, a significant amount had been added to the balances of general resources and referred to the measures taken by the Administrator to accelerate delivery and reduce the current balance of resources.

53. The Assistant Administrator urged Executive Board members to view the financial situation of UNDP in the context of the organization's operational realities and resource prospects. He referred to the Administrator's proposal that the current level of the operational reserve be maintained, rather than reduced in compliance with the established formula. He emphasized that the primary purpose of the operational reserve was to guarantee the financial integrity of UNDP in the event of significant unexpected shortfalls in resources, uneven cash flow or other contingencies, and therefore, no obligations should exist against it.

54. Several delegations expressed concern about the high level of the balance of general resources in 1995 as well as about the rate of underdelivery, which

translated into programme countries not receiving the assistance they needed. Notwithstanding the rise in the balance of general resources, several delegations cautioned UNDP against sacrificing programme quality for the need to accelerate delivery.

55. Many speakers were concerned over the reduction in voluntary contributions, and noted that the $3.3 billion level of voluntary contributions established for the 1997-1999 programming period might not be reached. Noting that UNDP had forecasted a reduction in voluntary contributions to $3 billion for programming purposes, one delegation indicated that future contributions from its Government to UNDP were likely to be reduced as a result of changes in its overall foreign policy. Several delegations cautioned UNDP against using the $3.3 billion benchmark in its strategic planning as the target could be too optimistic. Some delegations, noting that UNDP had reduced its forecasted level of core contributions below the established target, urged members either to maintain or increase their contributions to UNDP core funds in order to reach the agreed target and allow UNDP to implement its new operational policies and make a smooth transition to the new programming cycle.

56. With reference to the draft decision on the annual review of the financial situation 1995, one delegation, speaking also on behalf of another delegation, expressed doubts as to whether it was efficient to include in one decision conflicting messages concerning the overall level of core resources and the build-up in the balance of general resources.

57. The Assistant Administrator, commenting on the interventions of the delegations, highlighted some statistics on the resource projections for 1996-1997, indicating a further expected erosion of the core resource base. The Assistant Administrator and Director, Bureau for Resources and External Affairs, who was invited to comment further on the programme and delivery issues, stated that earlier projections of delivery levels should now be revised downwards from the original estimate of $560 to a maximum of $500 million for 1996. The Administrator, urging delegations not to overestimate the extent of the problem, expressed confidence that the actions taken would result in an appropriate build-up of the programme.

58. One delegation asked whether there was any benefit to the organization in suspending the application of the formula for the operational reserve calculation. The Assistant Administrator and Director, Bureau for Finance and Administration, indicated that, given the income projections for planning purposes of $1 billion in core contributions for 1996, the level of the reserve should be maintained at the established 20 per cent of that level, even though the target may not in reality be met. In response to a question from a delegation regarding the increase in administrative budget expenditures from the previous year, he responded that, traditionally, the administrative budget expenditures in the second year of the biennium were higher. However, those expenditures were within the approved budget allotments for the whole of the biennium and therefore did not represent an increase in administrative expenditures.

59. Concerns were expressed in respect of the increase in the use of the trust fund modality and its impact on the level of core contributions. In response to

a request from a delegation, the Assistant Administrator agreed to undertake a study of none-core funding modalities, particularly trust funds, and to evaluate their impact on core contributions. Some delegations urged donor countries to consolidate their contributions to UNDP core funds rather than to contribute non-core funding through the use of the trust fund modality.

60. The Assistant Administrator referred to the Administrator's proposal for amendments to the UNDP Financial Regulations and Rules relating to resource mobilization from non-governmental sources and micro-capital grants. A number of delegations supported the proposed revisions, indicating that they represented a positive step towards the further utilization of national capacity in UNDP programmes and projects and explored new modalities in non-traditional funding sources. UNDP was encouraged by some delegations to continue its resource mobilization efforts, particularly with new donors and non-traditional sources of funding. One delegation expressed the view that changes to the Financial Regulations and Rules could be viewed in a broader policy perspective to be reviewed by the Executive Board at a future session. While agreeing with the statement made by the delegation, the Assistant Administrator indicated that in the case of micro-capital grants, the policy had already been approved by the Board and that only the increase in the level of the grant was being sought. In the case of contributions from non-governmental sources, he indicated that in order to expedite the approval of several programmes, the Administrator was proposing ex post facto review by the Board.

61. The Administrator emphasized that the proposed amendments aimed at attuning UNDP practices to those of other United Nations organizations that currently did not have limits set on the level of contributions they could receive from the private sector and other non-governmental sources. The Administrator also commented on the UNDP strategy for resource mobilization from new donors and expressed appreciation to donors in that category.

62. The Executive Board approved the following decisions:

96/44. Annual review of the financial situation, 1995

The Executive Board

1. Expresses concern over the reduction in voluntary contributions to core resources of the United Nations Development Programme and reiterates its calls on donors to increase their contributions in light of the estimated planning figures for contributions adopted by the Executive Board and encourages the Programme to continue working actively in order to secure a more predictable level of core resources;

2. Notes with concern the build-up in the balance of general resources of the United Nations Development Programme;

3. Also notes the measures taken by the Administrator to address the matter and urges the Administrator to continue the efforts to improve programme delivery, keeping in view the importance of maintaining and improving the quality of programming by the United Nations Development Programme;

4. Decides to continue the application of the agreed formula for determining the level of the Operational Reserve;

5. Requests the Administrator to present by January 1998 a comprehensive review of the whole modality of non-core resources from donor countries in relation to their financial management, focusing on their cost effect on core resources and also requests the Administrator, in this context, to pursue efforts to ensure the substantive alignment of all non-core resources with the mandate and areas of focus of the organization, as contained in decision 94/14, and to define the role of the Executive Board in this process.

13 September 1996

96/39. UNDP Financial Regulations and Rules

The Executive Board

1. Notes the intention of the Administrator to expand the resource base for programmable activities by seeking more aggressively resources from non-governmental sources, bearing in mind the neutral and apolitical nature of United Nations Development Programme cooperation;

2. Approves the changes to the Financial Regulations as proposed in paragraph 8 of addendum 4 of the report of the Administrator on the annual review of the financial situation, 1995 (DP/1996/28/Add.4);

3. Requests the Administrator to keep the Executive Board regularly apprised of the status of the resource mobilization initiatives from non-governmental sources and to present the detailed policy of the United Nations Development Programme in this matter within the context of the comprehensive review of the whole modality of non-core resources for discussion at the first regular session 1998 in accordance with Executive Board decision 96/44;

4. Further requests the Administrator to implement the resource mobilization initiatives in accordance with the sustainable human development framework, contained in decision 94/14, and consistent with national development priorities;

5. Approves the changes to Financial Regulation 2.2 M (i), as proposed in paragraph 12 of addendum 4 of the report of the Administrator on the annual review of the financial situation, 1995 (DP/1996/28/Add.4).

13 September 1996

Reserve for Field Accommodation

63. In his opening remarks, the Administrator made reference to the informal meetings of the Executive Board at which the Assistant Administrator of the Bureau for Finance and Administration (BFA) had made a comprehensive

presentation of the serious issues involved and the management actions taken to correct the situation relating to the Reserve for Field Accommodation (RFA) and had answered questions that Executive Board members had on the matter.

64. The Administrator reassured the Executive Board that extraordinary efforts had been made to identify and deal with the problems and that the situation was under control. Recognizing the serious implications resulting from the breakdown in internal controls and management oversight that had occurred, he expressed his satisfaction that all the right actions had been and were being taken to correct the management and control problems. He assured the Board that it was an isolated incident.

65. The Administrator further indicated that an investigation into the accountability issues was under way and would be completed, with inclusion of the resultant management actions, by the end of 1996. A special advisory committee had been established to review the findings of the investigation and make recommendations with regard to the responsibility of any staff member.

66. The Assistant Administrator and Director of BFA introduced the report of the Administrator on the Reserve for Field Accommodation (DP/1996/28/Add.3) and recalled that the balance of the Reserve was significantly above the authorized level. He referred to his explanation at the third regular session 1995 regarding the management actions that UNDP had initiated to improve the management of the Reserve and to deal with the excessive balance. He indicated that during the review, and in consultation with the Board of Auditors, a number of serious management weaknesses and a breakdown of internal controls had been identified. He further indicated that a four-step strategy to deal with the situation was being implemented, which included: first, the tightening of management and financial controls in order to ensure that the situation remained an isolated incident; second, an asset-verification process; third, a more transparent presentation of the activities of the Reserve by revising its accounting treatment in the 1995 financial statements from a net to a gross basis; and lastly, an investigation into the activities of the Reserve undertaken by the Division for Audit and Management Review (DAMR), which had included a review of the actions taken by staff and contracted parties. The findings of the DAMR review would be presented to a special advisory committee established to make recommendations on accountability aspects.

67. While regretting the nature of the information being brought to the Executive Board, the Assistant Administrator provided his assurances and commitment to bringing the matter to closure by pursuing all possible avenues of action. He requested the Board to endorse the proposals contained in the report in order to enable UNDP to continue to resolve the situation and revert to the Board at its first regular session 1997 with a more complete proposal for future activities of the RFA.

68. The Assistant Administrator introduced the Director, External Audit, United Kingdom, a representative of the United Nations Board of Auditors, who had been invited, at the request of Executive Board members, to be present at the Board session during the deliberations on the item. He also referred to the advance copy of the report of the United Nations Board of Auditors for the biennium

1994-1995, which had been distributed to Executive Board members and which referred to the RFA.

69. Several delegations commended UNDP on the forthcoming, frank and transparent disclosure of the problem and expressed their appreciation to the Administrator and the Assistant Administrator. Various delegations were concerned at the serious breakdown in internal controls and supervision of staff, which they hoped would be addressed in the context of the change management project. Some delegations supported the proposals of the Administrator contained in his report, in particular with regard to the revised accounting treatment of the Reserve, which allowed for separating common premises and housing in UNDP financial statements. Delegations agreed to review the matter further at the first regular session of the Executive Board in 1997. One delegation indicated that, while acknowledging the need for UNDP to construct premises under difficult conditions, construction should be carried out in rare and exceptional cases. Another delegation circulated a draft decision.

70. One delegation, expressing concern about the management of the Reserve during the previous three years, inquired whether those issues could have been brought to closure earlier and whether the Executive Board should take a stronger oversight role if UNDP management did not act conclusively and promptly. In response the Assistant Administrator indicated that circumstances had been explained in detail during his presentation at the informal session as summarized in document DP/1996/CRP.15 and that action had been taken as soon as the problems had been clearly identified. He clarified that the proposals to revise the accounting treatment were intended to provide increased transparency regarding the income and expenditures under the Reserve.

71. One delegation noted that the report of the Board of Auditors for the biennium ended 31 December 1993 had included recommendations on improving the reviewing and recording of obligations and the definition of unliquidated obligations. That delegation also noted that the draft report of the Board of Auditors for the biennium ended 31 December 1995 indicated that UNDP had not completed action on improving internal controls, country office reporting, and the review and recording of unliquidated obligations in particular and obligations in general.

72. The Director, External Audit, a representative of the United Nations Board of Auditors, in response to a query, indicated that the investigation into the overexpenditure on contracts was still ongoing. However, from the records available to the Auditors, there was no clear explanation of the nature of the overexpenditure. A possible explanation could be an underestimation by the architect of the construction requirements. Regarding a question on the policy of UNDP to dispose of properties, the Director acknowledged the intention on the part of UNDP not to maintain properties beyond essential needs. He also expressed his satisfaction at the proposals of UNDP regarding the accounting treatment of the Reserve.

73. The Director indicated that the general concerns of the Board of Auditors on the management of the Reserve related mainly to the breach in the level authorized by the Executive Board, the level of the possible overpayments, and

the significant gaps in the processes of certifying, approving, establishing obligations, and contracting. In that connection, the Director welcomed the prompt corrective actions taken by UNDP as soon as the warning signals had become apparent. He was also pleased with the investigation initiated by DAMR as well as with the changes introduced in the payment and selection process, the establishment of obligations, and the fact that post facto approval from the Contracts Committee would be sought.

74. One delegation expressed concern that UNDP had not implemented the recommendations from the report of the Board of Auditors for the biennium ended 31 December 1993, which addressed weaknesses in internal controls and financial accounting.

75. The Executive Board approved the following decision:

96/40. Management, accountability and the Reserve for Field Accommodation

The Executive Board

1. Welcomes the report contained in document DP/1996/28/Add.3 and the additional information provided to the Executive Board by the Administrator and the United Nations Board of Auditors, as well as the transparent and forthcoming manner in which information on the Reserve for Field Accommodation has been provided;

2. Notes with grave concern the failure of management oversight and control relating to the proper application of the Financial Regulations and Rules and the supervision of staff and contracted parties that have contributed to the problems outlined in document DP/1996/28/Add.3, concerning the Reserve for Field Accommodation;

3. Welcomes in this context the investigations, reviews and actions initiated so far by the United Nations Development Programme to strengthen financial and management control of the Reserve for Field Accommodation;

4. Requests the Administrator to take all necessary steps to ensure compliance with all Financial Regulations and Rules, including additional efforts in the area of training of staff in financial management and oversight;

5. Further requests the Administrator to address any structural or systemic problems relating to financial control and management supervision that have come to light as part of the investigation of the Reserve for Field Accommodation as soon as possible in order to ensure that this remains an isolated incident;

6. Urges the Administrator to finalize the investigation on the management of the Reserve for Field Accommodation as soon as possible and to ensure that within the framework of accountability, responsibility is assigned at the individual level;

7. Endorses the revised accounting treatment for the Reserve for Field Accommodation and notes with concern that the overcommitment and overexpenditure will reach a level of $62.8 million by 31 December 1996;

8. Approves the proposal of the Administrator that the activities under the Reserve for Field Accommodation in the future cover only housing premises and that office premises be handled separately, bearing in mind the need to enhance transparency of the activities covered by the Reserve for Field Accommodation and those relating to office premises;

9. Reaffirms, in the context of the housing premises, the principle that, where possible, UNDP should dispose of housing units it either owns or operates under government ownership and that any future housing requirements be met together with the host country Government;

10. Requests the Administrator, in collaboration with the Joint Consultative Group on Policy partners, in the context of the implementation of paragraph 44 of General Assembly resolution 50/120 on common premises, to address and find a common understanding of how to deal with outstanding contributions as well as cost-sharing, payment and ownership relating to future constructions;

11. Further requests the Administrator to report on the implementation of the present decision at the first regular session 1997.

13 September 1996

76. One observer delegation, in supporting the decision adopted by the Executive Board on the item, expressed its view that all initiatives taken with respect to the RFA should be made with increased coordination both at the country and headquarters levels, with the involvement of the resident coordinators concerned. The delegation considered that the problems encountered in the case, if not properly addressed, could damage the credibility and pertinence of reform proposals regarding organizations in the United Nations system.

77. In response, the Administrator, while expressing his indignation regarding the matter, appreciated the findings of the United Nations Board of Auditors that there had been a prompt and sound response as soon as the information on the situation had become available. He provided his assurances that appropriate action would be taken on his part as soon as the report of the Division for Audit and Management Review was completed, by the end of 1996. He later expressed his appreciation to the Assistant Administrator, BFA, and his team, for the initiatives and corrective actions taken.

Revised budget estimates for the biennium 1996-1997

78. In introducing the revised budget estimates for the biennium 1996-1997 (DP/1996/29), the Assistant Administrator and Director of the Bureau for Finance and Administration stated that the revised budget estimates for the biennium 1996-1997 amounted to a slight net increase of $2.3 million or 0.4 per cent.

The net adjustment, he indicated, comprised downward cost adjustments amounting to $0.1 million, which were mainly the result of exchange rate fluctuations, as well as revised estimates for inflation and other cost factors, and a volume adjustment of $2.4 million relating to the proposal to establish a country office in Bosnia and Herzegovina. The Assistant Administrator then stated that with respect to the downsizing in connection with the 1996-1997 budget strategy, the organization continued to believe that the right decision had been taken. He stated that, taking into account the current change process, the impact on the organizational capacity would be kept under continuous review. He then reported on issues related to the United Nations Volunteers (UNV) staffing formula, the reserves for separations and transitional measures, the reclassification of posts between biennial budget submissions, and the Office of United Nations System Support and Services (OUNS).

79. One delegation expressed concern that UNDP had proposed increasing the 1996-1997 budget estimates. The delegation inquired whether UNDP had contingency plans in case income was less than expected. The Assistant Administrator responded that in formulating the 1996-1997 budget proposal, UNDP had taken into account the possible level of resources and that the overall issue of a contingency plan in case of a resource shortfall would be addressed on a continuing basis as an integral part of the new resource allocation system.

80. One delegation expressed concern that certain regions were significantly short of meeting the established targets of host country contributions to local office costs. That delegation also expressed concern that host countries in certain regions were expected to contribute only a small portion of the local office costs.

81. Some delegations, noting the current tight resource environment for multilateral development, supported the position of the Advisory Committee for Administrative and Budgetary Questions (ACABQ) that the additional requirements for the establishment of the country office in Bosnia and Herzegovina, in the revised 1996-1997 budget, should have been absorbed within currently appropriated budgetary resources. The Assistant Administrator indicated that in this context it should be borne in mind that UNDP has just implemented three consecutive budget reduction strategies, and that UNDP continued to aim at maximizing its resources available for programme purposes.

82. Many delegations supported the establishment of a country office in Bosnia and Herzegovina, with one delegation, while supporting the establishment of the country office, requesting that it should not reduce the resources currently available to the region.

83. One delegation, noting that in the Europe and Commonwealth of Independent States region, only 8 out of 30 countries had deputy resident representatives, requested that the matter be addressed in the context of the 1998-1999 biennial budget.

84. One delegation supported the position of ACABQ on the need to reassess the staffing formula as applied to UNV.

85. Many delegations, while supporting in general the proposals for contributions by host governments towards local office costs (GLOC), requested additional information regarding the financial impact of the proposals, in particular the financial impact of applying the revised programme thresholds for providing international staff to some net contributor countries (NCCs), and the impact of the three-year waiver period following graduation. One delegation stated that by applying the proposed new waiver bands, the poverty focus of the organization would be reduced, and therefore preferred to review the subject of country office costs in the context of the 1998-1999 biennial budget. Another delegation, in response, stated that the proposed new waiver bands were the same as those agreed by the Executive Board in its decision 95/23 on successor programming arrangements, which focused on poverty eradication, and that its application for GLOC represented policy and administrative rationales. The same delegation, for the same reasons, did not support the position of ACABQ that the length of the waiver period following graduation be reduced. In addition, the same delegation cited the Administrator's comment in an earlier agenda item, that large cost-sharing programmes in certain countries with small UNDP core programme resources were indeed relevant in the overall sustainable human development framework as developed by UNDP. The Chief of Budget indicated that if the proposed waiver bands were applied, the income through GLOC would increase by an estimated $2.6 million per year, and that the additional cost to UNDP for providing international staff to some NCCs in applying the revised programme thresholds would be an estimated $300,000 per year. He indicated that additional information would be provided bilaterally.

86. With respect to the reserve for separations, one delegation requested information on the overall reduction in UNDP core salary costs following the separations in the context of the 1996-1997 budget. The Chief of Budget indicated that there would be an estimated decrease in real terms of $19.0 million in salary costs compared to the previous biennium.

87. Delegations were supportive of the proposal on the reclassification of posts between biennial budgets, on the basis that it was cost-neutral and that full reporting was provided on the number and reclassifications effected.

88. Referring to the Office of United Nations System Support and Services, many delegations were supportive of the role of the office and the crucial work it was carrying out. Many delegations, while appreciating the support being given by other United Nations system organizations towards OUNS, supported the ACABQ position that such support was not sufficient and that the Administrator should redouble his effort to obtain more support from other units of the United Nations system. One delegation proposed the budgetary approval for OUNS continue on a provisional basis and supported the ACABQ position that it should be financed from the regular budget of the United Nations. Some delegations did not agree with the financing of OUNS from the regular budget of the United Nations. One delegation stated that, based on the operations of OUNS to date, the Office had proved to be a crucial support to the resident coordinator system and therefore should be placed on a firmer footing. The Administrator stated that support was being provided from other units of the United Nations system, such as candidates of high calibre for resident coordinator positions. On the financing of OUNS from the regular budget of the United Nations, he stated that there were no real resources to pursue, but that he would continue to seek such

financial support from other units of the United Nations system, and looked forward to the regularization of OUNS by the Executive Board.

89. The Executive Board approved the following decision:

96/41. Revised budget estimate for the biennium 1996-1997

The Executive Board

1. Takes note of the comments made by delegations during the Board discussions on the revised budget estimates for the biennium 1996-1997 and of the report of the Advisory Committee for Administrative and Budgetary Questions (DP/1996/30);

2. Approves with respect to the revised budget estimates for the 1996-1997 biennium of the United Nations Development Programme and the funds administered by the Programme, contained in document DP/1996/29, a revised appropriation in the amount of $579,146,800 gross, to be allocated from the resources indicated in the table below, to finance the revised 1996-1997 biennial budget and resolves that the income estimates in the amount of $38,000,000 shall be used to offset the gross appropriation, resulting in a net appropriation of $541,146,800;

3. Also approves the proposals of the Administrator contained in paragraphs 3 and 4 of document DP/1996/29 relating to the establishment of a country office in Bosnia and Herzegovina;

4. Requests the Administrator, in the context of continuous reporting on the progress of the management of change process, to present to the Board at its second regular session 1997, an outline of the overall strategy for the budget for the biennium 1998-1999, taking into account the importance of the organizational capacity of the United Nations Development Programme, in particular the adequacy of human resources both at headquarters and country levels, for the effective support of its programme;

5. Approves the proposals of the Administrator contained in paragraphs 14 to 21 of document DP/1996/29, relating to the principles and criteria that will be used to determine the amounts to be reimbursed by host Governments as contributors towards local office costs;

6. Takes note of the reports of the Administrator on: (a) the use and status of the reserves that were established for staff separations and transitional measures; (b) pilot arrangements relating to reclassification; (c) the Office of United Nations System Support and Services; and (d) the deferment of the application of the staffing formula applied to the United Nations Volunteers;

7. Urges the Administrator to redouble his efforts to obtain more support for the Office of United Nations System Support and Services while expecting full cooperation from other bodies of the United Nations system, and to keep the Board informed of the progress made in gathering such support;

8. Requests the Administrator to bring paragraph 7 of the present decision to the attention of the United Nations funds and programmes, specialized agencies, and the Secretariat;

9. Authorizes the Administrator to maintain an accounting linkage between voluntary contributions and contributions to local office costs in such a manner that contributions are first applied against obligations towards local office costs;

10. Stresses the need for programme countries to meet in full their obligations towards the local office costs of the United Nations Development Programme;

11. Decides that in the case of countries with 1994 per capita gross national product of $4,701 and above:

(a) Where programme activities of the United Nations Development Programme exceed $12 million financed from all sources of financing over a three-year period, a resident representative and a second international staff member could be provided from the biennial budget of the Programme;

(b) Where programme activities of the United Nations Development Programme exceed $8 million financed from all sources of financing over a three-year period, a resident representative could be provided from the biennial budget of the Programme;

12. Decides that, in line with similar provisions of decision 95/23, countries exceeding the threshold of $4,701 per capita gross national product shall continue to be granted waivers for a period of three years, following the year of graduation;

13. Authorizes the Administrator to implement reclassification in the P-1 to P-5 range, provided that the aggregate effect of the changes in the classified level of posts is subject to a zero-sum limitation;

14. Decides to keep the issue of local office costs under review in the context of the budget for the biennium 1998-1999.

UNDP revised budget proposals for the 1996-1997 biennium, showing estimated extrabudgetary income from external sources

(Thousands of United States dollars)

	Appropriation estimates	Estimated extrabudgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities[a]			
Headquarters[b]	144 321.0	36 479.4	180 800.4
Country offices	232 507.2	45 267.5	277 774.7
Gross UNDP core activities	376 828.2	81 746.9	458 575.1
Estimated income	38 000.0	0.0	38 000.0
Net UNDP core activities	338 828.2	81 746.9	420 575.1
B. Programme support and development activities			
Programme development activities	30 828.7	0.0	30 828.7
Support to the operational activities of the United Nations	96 556.3	0.0	96 556.3
Project/programme implementation services			
DSS	7 223.4	0.0	7 223.4
IAPSO	4 446.9	3 911.4	8 358.3
UNV	34 407.7	2 999.7	37 407.4
National execution	3 875.3	0.0	3 875.3
Total project/programme implementation services	49 953.3	6 911.1	56 864.4
Programme support	2 300.0	0.0	2 300.0
Total programme support and development activities	179 638.3	6 911.1	186 549.4
C. Total resources of UNDP			
Gross resources	556 466.5	88 658.0	645 124.5
Estimated income	38 000.0	0.0	38 000.0
Net resources	518 466.5	88 658.0	607 124.5
II. RESOURCES OF FUNDS			
A. UNCDF	9 207.8	0.0	9 207.8
B. UNRFNRE and UNPSTD	1 147.2	324.8	1 472.0
C. UNSO	7 030.6	1 207.3	8 237.9
D. UNIFEM	5 294.7	310.1	5 604.8
Total resources of Funds	22 680.3	1 842.2	24 522.5
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	579 146.8	90 500.2	669 647.0
Estimated income	38 000.0	0.0	38 000.0
Net UNDP appropriations	541 146.8	90 500.2	631 647.0

[a] The Administrator is permitted to redeploy between the country offices and headquarters appropriation lines up to a maximum of 5 per cent.

[b] Extrabudgetary income represents income from external sources, exclusive of reimbursements from non-core units; these are included in the appropriation estimates of the non-core units.

13 September 1996

Inter-Agency Procurement Services Office

90. The Assistant Administrator and Director of the Bureau for Finance and Administration introduced the first biennial report on the activities of the Inter-Agency Procurement Services Office (IAPSO) (DP/1996/31 and Corr.1), which had been requested in Executive Board decision 96/2. The report highlighted results achieved since 1994 and planned future activities as well as an overview of procurement statistics for operational activities of the United Nations system, including UNDP. A statistical report on procurement was also distributed. It was noted that global procurement reported by the United Nations system for 1994 and 1995 amounted to some $3.7 billion for each year, with UNDP-funded procurement increasing from $228 million in 1994 to $303 million in 1995. Procurement from developing countries was about one third for the whole United Nations system and 60 per cent for UNDP funded procurement.

91. The Assistant Administrator also commented on procurement services provided by IAPSO to development partners, noting in particular the significant increase in assistance to the Governments of programme countries. In the future, IAPSO would continue to support United Nations agencies and UNDP country offices in the effective handling of the procurement process, and in improving the prospects of United Nations procurement from local suppliers. It would also continue to strive towards rationalizing procurement functions by promoting coordination, transparency, wider competition for contracts and economic efficiency, thereby contributing to strengthening confidence in the capacity of the United Nations system to ensure best value for money in its operations.

92. Several delegations posed questions to the secretariat. One asked if IAPSO has been consulted on the initiative by UNFPA to have precautionary stocks of contraceptives, as legislated by Executive Board decision 95/36. Another speaker asked if other United Nations bodies were able to use the United Nations Supplier Database (UNSD), the common vendor roster developed by IAPSO. That delegation also expressed some concern that IAPSO was concentrating too much on procurement and not enough on assistance to creating capacity in procurement in developing countries, which was a very important factor. Another delegation sought more information on how environmental concerns mentioned in the document would be taken into account in procurement activities, which he hoped would not disadvantage supply sources in developing countries. A question was also raised about the reference in the document to what constituted underutilized major donor countries. One delegation praised the trend of increased percentage of procurement from developing countries.

93. The Assistant Administrator noted that while IAPSO provided technical support such as procurement training services to developing countries, it did not have a clear role in capacity-building in procurement as it was primarily a research and development entity.

94. The Director of IAPSO stated that information about the capabilities and services of the Office had been provided to UNFPA. However, no particular discussions had taken place with regard to the issue of procurement of contraceptives. He referred to the new expanded facilities available in Copenhagen, which were shared by IAPSO and the United Nations Office for Project Services. He explained that UNSD, which was built on supplier information

provided by agencies, was used by many organizations for comparison purposes, as large procurement agencies had their own rosters. The database was distributed to all UNDP country offices and would soon be available through the Internet. He explained that IAPSO was concerned with environmental standards in procurement mainly to ensure that only an acceptable quality of goods from supply sources in industrialized countries were provided to developing countries. He believed that a number of manufacturers in developing countries would increasingly be in a position to meet acceptable environmental standards. He further indicated that IAPSO had started a "green office programme" in several duty stations and headquarters locations for the procurement of environmentally appropriate office supplies and equipment. With reference to underutilized major donor countries, he explained that the designation was determined in relation to the level of overall funding of a donor country compared with the return flow in procurement terms.

95. The Executive Board approved the following decision:

96/35. Activities of the Inter-Agency Procurement Services Office

The Executive Board

1. Takes note of the report of the Administrator on the activities of the Inter-Agency Procurement Services Office in 1994 and 1995, and the contribution by the Office to the coordination of procurement activities, improved transparency in operations and promotion of competition for contracts within the United Nations system;

2. Takes note of the 1995 Annual Statistical Report on procurement by the United Nations system, and welcomes the consolidated reporting of such data;

3. Recommends that the Inter-Agency Procurement Services Office continue to explore ways to enter into arrangements for coordinated procurement with United Nations entities, drawing on the respective strengths of each entity.

10 September 1996

Cost segments at UNDP headquarters

96. One delegation, speaking for itself and on behalf of eleven others, referred to the note by the Administrator on the follow-up to the report on the annual session regarding cost segments at headquarters, contained in document DP/1996/37. The continuous scarcity of resources, as evidenced by the expected decline of 8.9 per cent in UNDP voluntary contributions during the period 1996-1997, made it imperative to keep costs under continuously tight control. The delegations appreciated the information provided by UNDP on the various cost segments at headquarters. It was thought, however, that it would be useful to receive a more analytical description of the evolution of actual costs at headquarters, especially as they related to UNDP programme expenditures. That information would enable the Executive Board to assess changes more effectively in that cost segment over time. It would also enable the Board to compare UNDP

headquarters costs with those of other United Nations organizations based in New York and elsewhere. The Administrator was requested to provide a short paper containing those elements for consideration at the first regular session 1997.

VI. UNITED NATIONS OFFICE FOR PROJECT SERVICES

Revised budget estimates for the biennium 1996-1997

97. The Executive Director, United Nations Office for Project Services (UNOPS), introduced his report on revised budget estimates for the biennium 1996-1997 for the United Nations Office for Project Services (UNOPS) (DP/1996/36). He noted that the revised estimates showed an increase of $4 million; however, $3.5 million of the increase had the result of a change in accounting treatment of the payments made to UNDP country offices for services to projects provided by them on behalf of UNOPS. The payments had previously been accounted for as a reduction of income and were consequently not reported either as income or expenditure. To improve the transparency of accounting and reporting systems as mandated in decision 94/12, such payments would henceforth be recorded as part of the total payments made to UNDP for services provided by UNDP to UNOPS. That approach had been supported both by the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions and had been used as the basis for UNOPS financial statements for the 1994-1995 biennium.

98. The Executive Director also noted that interest income on accumulated unspent income, previously unavailable separately for OPS, was now included in the UNOPS revised budget estimates and was projected at $1.4 million for the biennium. He also pointed out that information on the relocation of the Division for Procurement Projects (PRP) to Copenhagen and the Rehabilitation and Social Sustainability Unit (RESS) to Geneva had been provided to ACABQ and all questions responded to. UNOPS would fully disclose all relevant information on contributions and associated expenditures in the UNOPS financial statements for the current and future years.

99. Observing that UNOPS had, in its first year of operation as a separate entity, succeeded in recovering the cost of providing its services, the Executive Director highlighted with appreciation the efforts and sacrifices of UNOPS staff in achieving that goal. He also pointed out that the budget document currently before the Executive Board would be the last one prepared by Mr. Nestor Marmanillo, Assistant Director, Division for Finance and Administration, and stated that the accuracy and transparency of the forecasts for many years had been due to Mr. Marmanillo's diligence and acuity and wished him a long and rewarding retirement.

100. The Executive Director noted that the improvement in project portfolio continued, with peak project budget projections having been revised upward to $1.3 billion for the end of 1996 and 1997. Performance through August 1996 indicated that the revised projection was likely to be achieved or exceeded.

101. Finally, the Executive Board was informed that copies of the UNOPS 1996 Business Plan, previously provided to delegations that had requested it, were

being made available at the current session for any other interested delegations.

102. Four delegations expressed their approval of the continuing demonstration of the validity of the self-financing principle. One delegation expressed satisfaction with the amount of resources being allocated for internal audit and saw this as a positive link to the accountability concept discussed in the preceding session. Several delegations expressed their support for the separate disclosure of payments for services to country offices and the transparency resulting therefrom. One delegation inquired whether the anticipated computer purchases referred to in paragraph 15 of the ACABQ report were the same items referred to in paragraph 2 of the revised budget estimates. Another referred to paragraph 9 of the ACABQ report and requested details of the criteria for UNOPS handling personnel matters itself as compared to utilizing the services of UNDP, also querying the usage of the activities of limited duration (ALD) modality. One delegation, mentioning that it had in the past complained of a lack of transparency in UNOPS reporting, noted that it had found in the UNOPS Business Plan the kind of clarity it had been seeking and encouraged UNOPS to continue the practice of distributing the document to the Executive Board.

Response by the Executive Director

103. The Executive Director thanked those delegations that had offered positive comments. He responded to the matter of the usage of the ALD modality by pointing out that perhaps 75 per cent of administrative expenditures were directly or indirectly related to personnel costs and that ALDs were a tool with which UNOPS could react in a cost-effective manner to changes in demand for its services, i.e., it could hire easily when demand increased and lay off when requirements declined; in addition, there were advantages in terms of simplified administration. He explained that the criteria for performing personnel services in-house compared to using UNDP central services were effectiveness on cost and on service level dimensions, noting that UNOPS already processed as many as 7,000 personnel contract actions of different types in any given year. He confirmed that the computer purchases mentioned in paragraph 15 of the ACABQ report and paragraph 2 of the revised budget estimates were the same items.

104. The Executive Board approved the following decision:

96/37. Revised budget estimates for the biennium 1996-1997 of the United Nations Office for Project Services

The Executive Board

1. Takes note of the report of the Executive Director on the revised budget estimates for the biennium 1996-1997 (DP/1996/36);

2. Takes note of the changes in financial reporting procedures that have been introduced with effect from the 1996-1997 biennium; and

3. Approves the revised budget estimates for the 1996-1997 biennium in the amount of $65,444,000.

11 September 1996

VII. UNDP: COUNTRY PROGRAMMES AND RELATED MATTERS

Introduction

105. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific introduced the first country cooperation frameworks (CCF) for the People's Republic of China (1996-2000) (DP/CCF/CPR/1) and Viet Nam (1997-2000) (DP/CCF/VIE/1). He noted the enormous progress achieved by the People's Republic of China since the launching of the UNDP programme in 1978. Viet Nam had also shown impressive economic indicators in recent years. The CCFs had been developed prior to the preparation of guidelines on the successor programming arrangements, yet both Governments had succeeded in preparing frameworks that were in line with Executive Board mandates. They reflected a major transformation in the role of UNDP, in particular with its focus on poverty eradication. UNDP played a major role in technical cooperation, aid coordination and in support to the follow-up of major United Nations conferences. The frameworks had been developed through a long process of consultation with all relevant ministries as well as civil society organizations, academia, the United Nations system, bilateral aid organizations, and with reference to the mid-term review process and joint issues papers. The Government of Viet Nam had developed a country strategy note, on which the CCF was based, that underlined sustainable development as the ultimate goal of United Nations cooperation. He noted that an Executive Board mission had visited the People's Republic of China in February 1996. He also commented on some of the points highlighted in the CCFs for UNDP cooperation the aim of which was to reinforce the shift to an effective sustainable human development (SHD) orientation: poverty eradication as the first priority; gender in development; capacity-building; the programme approach and resource mobilization.

General comments

106. Many delegations cited the high quality and valuable content of the two CCFs. Both gave an excellent overview of the nature of UNDP cooperation in the countries. It was noted that the format of the new CCFs was user-friendly and an improvement over that of the former UNDP country programmes. It enabled the Executive Board to have a more substantive discussion on activities in programme countries. There was also a clearer link between UNDP interventions and national priorities. Some delegations commented that the section on results could still be improved, with the possible inclusion of evaluation findings.

Country cooperation framework for the People's Republic of China

107. Many speakers praised the excellence of the CCF for the People's Republic of China. The framework effectively covered the complexity of problems that UNDP would address during the coming five years and demonstrated greater focus on SHD and in particular, on poverty eradication. However, the relatively large

number of interventions in many sectors described in the document could be reduced and the comparative advantages of UNDP identified. Information on the contributions of other donors could be included. Some delegations emphasized a stronger role for UNDP in aid coordination with a view to eliminating duplication. One speaker requested that UNDP capacity-building interventions be participatory and asked that a reference to "people's empowerment" be included in the section on poverty eradication.

108. Areas that could be given more emphasis in the framework were gender in development, private sector participation, urban poverty, and governance. Greater elaboration on the role of national execution could also be included. Some delegations asked for more information regarding the nature of collaboration between UNDP and the Bretton Woods institutions, and requested that steps be taken to avoid duplication of effort, particularly in macroeconomic reform. One delegation requested information on cooperation within the Global Environment Facility (GEF) in China and how financial support of GEF projects and their design was incorporated in the framework. A query was raised about interventions in the field of science and technology. Several speakers suggested that the sections on results and lessons learned could be improved, with inclusion of criteria for success. Monitoring and review was a key area that was needed to ensure accurate and timely information on an ongoing basis.

109. One delegation noted positively the UNDP interventions in energy, environment and health programmes. One speaker stressed the importance of information sharing and requested that some reference be included on networking.

110. The Assistant Administrator thanked delegations for their supportive remarks. He noted that while 63 projects might seem a high number, the CCF in fact represented a reduction of 43 per cent in the number of projects as compared with the third country programme. It was stated in the CCF that priority was given to gender in development in all five SHD thematic areas, hence in virtually all projects. He drew attention to four projects that were specifically on gender-related issues in the key areas of education, environment and employment, and involved civil society. He pointed out that UNDP drew upon science and technology to apply to SHD and the reduction of poverty. He also stated that coordination would be increased.

111. The Chief of the Country Offices Support Division of the Regional Bureau for Asia and the Pacific stated that poverty eradication was cross-cutting and thus needed to include interventions in a range of sectors. For example, in western China it was important to support activities in health, education and agriculture, in line with the Government's programmes, as a means of helping to eradicate poverty. With regard to impact, he noted that several comprehensive documents such as the joint issues paper contained information on lessons learned and the CCF itself referred to the establishment of benchmark surveys and reviews. In response to the question posed, he noted that the work of UNDP and the Bretton Woods institutions in macroeconomic reform was not duplicative as UNDP was involved primarily in capacity-building and training, while the Bretton Woods institutions provided direct support. In response to a query, he stated that activities in enterprise reform were focused on the creation of an enabling environment, policy and legislation in order to enable State

enterprises to operate in a more effective manner. With regard to urban poverty, he cited paragraph 20 (a) and (b) of the document, which contained a description of a UNDP intervention that would affect 57 small towns. He noted that the cooperation between China and UNDP had been built over an extended period of time and while there were still many projects, the interventions were well targeted and likely to have a large impact.

112. The Deputy Director of the Office of the Administrator, who had served previously in the UNDP Country Offices in China and Viet Nam, responded that UNDP had played a lead role in advocating public and legal reforms and had worked in close cooperation with the Bretton Woods institutions and the Governments. He stressed that the effective collaboration with the Bretton Wood institutions in the countries was due to the resident representatives and field representatives of the institutions.

113. The representative of the People's Republic of China expressed her Government's gratitude for the support to the first CCF. She emphasized the country's large population and need for development in her country. The comparative advantages of UNDP had been examined in formulating the CCF. Her Government recognized that UNDP funds were limited while demand was enormous. Efforts had been made to reduce the former focus areas as much as possible. The framework was a key instrument in promoting economic development and enhancing people's livelihoods.

114. The Executive Board approved the first country cooperation framework for the People's Republic of China (DP/CCF/CPR/1).

Country cooperation framework for Viet Nam

115. Many delegations praised the CCF for Viet Nam as an excellent plan. A high degree of policy consensus among development partners was noted. The framework, whose priorities received wide support from speakers, was seen to be in line with bilateral economic cooperation programmes. It demonstrated the important role and comparative advantage of UNDP and underlined the process of renewal and renovation in the country.

116. Most speakers praised the role of UNDP in aid coordination in the country, particularly with regard to resource mobilization. Support was also expressed for the interventions of UNDP in economic, legal and public administration reform. The importance of addressing the needs of the urban poor was underlined by one speaker.

117. Membership in the Association of South East Asian Nations (ASEAN) would bolster the technical cooperation among developing countries (TCDC) component of the framework. One delegation requested that the UNDP Special Unit for TCDC and the Regional Bureau for Asia and the Pacific use the experiences of ASEAN countries in appropriate ways to promote economic development in Viet Nam. That delegation also announced its intention to contribute financially to the promotion of subregional South-South cooperation.

118. Several delegations sought further clarification of the respective roles of UNDP and the Bretton Woods institutions in Viet Nam. One speaker asked that

UNDP place less emphasis on social development and environment/natural resources, areas on which other organizations could concentrate and avoid interventions in micro-credits and food security where it did not have a comparative advantage. More information was sought on follow-up and evaluation, and on Government participation in the programme.

119. The Assistant Administrator responded that reform was a central priority of the framework. He thanked the Government of Japan for its announced contribution to TCDC as well as to the Indo-China Human Development Initiative, and agreed that the funds would be used to help promote the integration of Viet Nam in ASEAN and Mekong activities.

120. The Deputy Director of the Office of the Administrator cited the role played by UNDP with its development partners in preparing the first international donors conference for Viet Nam. UNDP continued to participate in the annual World Bank Consultative Group meetings, with special responsibility for capacity-building issues. There was active collaboration with the Bretton Woods institutions in Viet Nam, with a public expenditure review as a recent example.

121. The representative of Viet Nam thanked UNDP for all the work done in connection with the CCF, which had resulted from intensive consultations at the country office and headquarters. The target objectives matched the priorities of UNDP and the Government and the CCF was in accordance with the priorities of the Government for the United Nations system as a whole. The Government of Viet Nam was committed to assuring that all UNDP and other United Nations programmes were implemented in the best possible manner. She noted that in 1997 there would be an overall review of 20 years of cooperation with United Nations organizations with a view to identifying the best means of implementing the various programmes.

122. The Executive Board approved the first country cooperation framework for Viet Nam (DP/CCF/VIE/1).

Global cooperation framework

123. The Assistant Administrator and Director of the Bureau for Programme and Policy Support introduced the global cooperation framework (DP/GCF/GLO/1). He underlined the aim of the framework, which was to provide substantive capacity in the main UNDP focus areas emphasizing clarity and coherence. He noted that resources were allocated according to the five broad categories and six principal types of activities mentioned in the report. He also drew the attention of the Executive Board to the prioritization of poverty eradication, the continued participation of UNDP in global research programmes, the development of performance indicators, and the major challenge of resource constraints in the successor programming arrangements. The framework aimed to provide linkages among the global, regional, and national contexts. He noted that the framework did not contain operational guidelines, which would be made available at the present session.

124. General support for the framework as providing an improved elaboration of UNDP global cooperation programmes was expressed. However, several speakers

emphasized the broad scope of the framework and what seemed to be overambitious goals. One delegation stated that the language used affected the credibility of the paper and suggested that the paper be resubmitted to a future session of the Executive Board. Many speakers commented that it was not clear whether UNDP had the capacity to carry out the activities described in the document. Priorities and areas of concentration must be more clearly defined. The financial aspects raised a number of questions, with some delegations wondering whether UNDP had the resources to carry out the described tasks. One speaker noted that UNDP would be obliged to pay for its commitments in inter-agency mechanisms, perhaps with very little money left for other programmes that were directly linked to the five priority areas.

125. Many speakers addressed the need for more effective performance indicators and benchmarks. One representative, in noting that bilateral donors were grappling with similar issues, invited UNDP to discuss work undertaken in that field with the development assistance branch of his Government. In the area of financial management, clarification on the UNDP role in relation to the Bretton Woods institutions was sought, as was assurance that linkages with those institutions were being strengthened. One speaker requested information on cooperation with the Administrative Committee on Coordination (ACC).

126. Several speakers stressed the importance of gender issues, and one asked for the inclusion of a programme to promote entrepreneurship among women. Attention to emerging global issues should also be included.

127. Support for particular activities contained in the framework was also expressed, including the promotion of global partnerships, the Sustainable Development Networking Programme and the UNDP/World Health Organization/World Bank Special Programme of Research and Training in Tropical Diseases. The involvement of non-governmental organizations in execution was noted favourably. One speaker drew attention to the upcoming finalization of the agreement to create an International Vaccine Institute, to be headquartered in Seoul, for which a signing ceremony would be held in New York on 28 October 1996.

128. The Director of the Special Programme for Research and Training in Tropical Diseases of the World Health Organization made a statement relating to the participation of UNDP in the Special Programme. He noted the key role played by UNDP in the establishment of the Special Programme as well as its guidance during recent managerial changes which had maximized efficiency and avoided inter-agency duplication. The co-sponsorship of UNDP was greatly valued and it was hoped that a strong commitment by UNDP to the Programme would continue.

129. The Assistant Administrator responded that the global cooperation framework was different from the regional or country frameworks as it represented policy and programme development from a headquarters-based level. He explained that UNDP was trying to develop methodologies, tools, programmes, and policies in its priority areas and to develop indicators to measure progress and performance. He stressed that it was important to understand changes in the global economy and to examine new information technologies and their effect on the way UNDP managed its services and assisted developing countries. While not a centre of excellence in main focus areas, UNDP was developing a more professional approach. He hoped that during the next three years UNDP could deliver on

issues where gaps had existed in the past. He stressed the need to develop indicators, particularly those specific to UNDP activities, and took note of the offer from the representative of the United Kingdom to look at the advanced work of the Overseas Development Administration in its development of indicators. He noted work in progress with UNICEF and the World Bank in developing indicators on poverty eradication. He also noted that UNDP had in-house capabilities, which meant that consultants did not always need to be hired. UNDP remained committed to its participation in global partnerships. With regard to financing, the framework anticipated additional partnerships, trust funds and cost-sharing as means to enlarge the scope of funding for its activities. He noted that UNDP was working with ACC to promote harmonized procedures for technical cooperation in the United Nations system. He agreed with the delegation that had raised the issue of support to the analytical efforts and institutions in the south. Discussions were under way with the United Nations Conference on Trade and Development on developing a programme to examine global trade, which would be supported by the global programme. He noted that all strategies would include a clear component for capacity-building.

130. One delegation, supported by another, reiterated its preference that the document be reissued, in particular so that when it was read by a variety of audiences it would accurately reflect the contents and purposes of the global programme. That request did not reflect lack of support for the programme. The clarifications provided by the Assistant Administrator at the present session had been very useful and could be included in the revision.

131. Following discussion among several members of the Executive Board, the President announced that a revised version would be submitted at the first regular session 1997, taking into account all discussion at the present session. It was understood that that would not impede the carrying out of the activities contained in the document.

132. The Assistant Administrator assured the Executive Board that the comments would be incorporated in the revised global cooperation framework.

133. The Executive Board approved the following decision:

96/42. Global cooperation framework

The Executive Board

1. Takes note of the global cooperation framework contained in document DP/GCF/GLO/1;

2. Requests the Administrator to submit to the Executive Board at its first regular session 1997 a revised text of the global cooperation framework, taking into account clarifications given and comments made, and without prejudice to the implementation of the global cooperation framework as presented and orally clarified at the current session to be approved, on a no-objection basis.

13 September 1996

VIII. UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

134. The Associate Administrator introduced the report of the Administrator on the United Nations Development Fund for Women (UNIFEM) (DP/1996/33). The sound financial management of UNIFEM during the previous 18 months had led to the positive financial situation described in the report. The current resource situation in UNIFEM was primarily a result of the successes of the financial monitoring mechanisms put in place, combined with the Fund's proactive resource mobilization efforts. At the present time, there was confidence in re-establishing the operational reserve at the level of $3 million. The UNDP Bureau for Finance and Administration would review with UNIFEM the partial funding formula and report to the Executive Board in early 1997 with a proposal for the resumption of project approvals within such a modality.

135. The positive outcome of the comprehensive external evaluation of UNIFEM, carried out by the firm of Management Systems International, in response to Executive Board decision 95/10, was also recognized. The report on the evaluation was contained in document DP/1996/14. In UNDP, an in-house process for strengthening UNDP collaboration with UNIFEM in the follow-up to the Fourth World Conference on Women had begun. The complementary roles of both organizations would be defined more clearly. The use of UNIFEM as an implementing agency in both agency and nationally executed programmes was also being promoted. The Associate Administrator proposed that UNIFEM be allowed to access support for policy and programme development under the new support-cost arrangements. UNDP was also taking steps towards having UNIFEM become an executing agency that would offer more effective mechanisms to leverage UNDP programme resources to benefit women.

136. The Executive Director of the United Nations Office for Project Services (UNOPS) noted that, by decision 95/10, UNOPS had been asked to be involved in contracting for the evaluation of UNIFEM. He provided details of the conditions considered by UNOPS in establishing the contract, in particular the need for objectivity, transparency, and the application of prevailing best business practices. The standardized procedures of UNOPS had been used, including market research, drawing up a short list, proposals, and evaluation by criteria known to all participants. Lengthy negotiations had ensued in order to ensure that the terms of reference endorsed by the Executive Board were understood and followed. During the process, there had been improvement and refinement of techniques and methodologies as well as a modification of the composition of the team and the additional participation of developing countries on the advisory panel. An academician well renowned in gender issues had assisted in the advisory panel. The scope of the evaluation had required that UNOPS pay close attention to the contract administration phase without interference in the substantive aspects or the confidentiality of the evaluation. The evaluation team's activities were monitored on a continuous basis to ensure that milestones and deadlines were met. As a result, unanticipated delays had been managed effectively without resort to crisis management and the process kept on target and within its budget.

137. Ms. Marina Fanning, of Management Systems International, presented an overview of the findings of the evaluation of UNIFEM.

138. A statement by the Director of UNIFEM was distributed.

139. Delegations commented on the report on the UNIFEM financial situation, the proposals made by the Associate Administrator and the evaluation report.

140. It was clear, many speakers noted, that UNIFEM had made a good recovery from its financial problems of the previous year and had restored the confidence of donors in its operation. Nevertheless, the Fund would still have to operate with limited resources and therefore focus its efforts. While some delegations expressed broad agreement with the recommendations contained in the evaluation report, many others stated that they could not yet endorse all of the recommendations. Support was expressed for the re-establishment of the operational reserve.

141. The document containing the executive summary of the evaluation report was too optimistic and did not contain enough critical analysis, according to many speakers. The main report, it was noted, did refer to several weaknesses and was more balanced. Many delegations expressed the view that it was too early to make far-reaching decisions on the operation of UNIFEM and further discussions were needed. While some supported the recommendation that UNIFEM become an executing agency of UNDP, several others had strong reservations. One speaker suggested that UNIFEM make a proposal to the Executive Board on how it planned to implement the evaluation findings.

142. Wide support was expressed for the institution of a management information system in UNIFEM, improved computer systems and work space, strengthened training programmes, and an increase in staff, including the freeing of restriction on hiring for eight previously established posts. Some speakers also agreed that UNIFEM should be paid by other United Nations organizations when it provided advice.

143. Several speakers expressed concern about any shifting away in programme focus from support to women in poorer countries. Some other delegations stressed the need for UNIFEM to work in all regions of the world, in particular in Eastern and Central Europe and in the Commonwealth of Independent States, where it did not yet operate.

144. One delegation expressed reservations about the earmarking of funds at the country level for follow-up to the Fourth World Conference on Women. The description of UNIFEM playing a catalytic role in the follow-up to the Conference needed to be documented more thoroughly. One delegation stated that UNIFEM should concentrate on the economic and political empowerment of women and the strengthening of women's networks at the national and local levels. While UNIFEM should not duplicate the work of the United Nations Division for the Advancement of Women (DAW) (which had not been mentioned in the evaluation report) or the International Training and Research Institute for the Advancement of Women (INSTRAW), it should draw on their expertise. The Fund was also encouraged to cooperate more closely with UNDP with regard to gender-in-development issues. One delegation noted that it would contribute to the trust fund on violence against women that had been set up by UNIFEM.

145. The Director of UNIFEM responded to the questions and comments raised. The major challenge for UNIFEM was how to become a more strategic and accountable organization that emphasized the empowerment of women. UNIFEM must build on its strengths, as detailed in the evaluation report, in the post-Beijing era, albeit with limited resources. All programmes and projects would be examined for measurable results and in terms of priority issues and strategies. She explained that executing agency status for UNIFEM would greatly facilitate support for the organization and would not affect its programme focus and way of doing business. There was no intention to shift away from poorer countries. She noted that the work of UNIFEM was complementary to that of DAW and INSTRAW. UNIFEM worked with other parts of the system, including through its regional programme advisers, who worked with resident coordinators at the country level. Currently, the main weakness of UNIFEM was its overambitious programme design. She also noted that many pilot projects were not designed as such and that some income-generating projects were designed to deal with individual groups of women and not linked to larger issues. In addition, there had also not been enough effort to transmit lessons learned.

146. Ms. Fanning commented that UNIFEM must choose elements to improve its work. She noted that funds were being used appropriately, and materials and experiences were utilized at the local level. The weak point was that the organization tried to do too much with too little. Its human resource base was too small and staff were working at a disadvantage. There were often gaps in reporting and on logistical matters. UNIFEM needed to refocus and concentrate on a few important matters. Many regional programme advisers were effective because of their personal qualities. In response to a query, she explained that the suggested matrix structure for UNIFEM would allow staff to make day-to-day management decisions that would result in less burden on management.

147. The Associate Administrator emphasized the attention UNDP had paid to the issue of the UNIFEM financial situation as well as to enhancing its relationship with the Fund, including through both regular in-house and regional meetings. Several measures had been taken, including the earmarking in the global cooperation framework of 10 per cent of all programme funding for the empowerment of women, the training of country development officers, and the establishment of better links between UNIFEM regional programme officers and UNDP gender-in-development officers. If UNIFEM was to be more involved in giving policy advice, that support could be accessed under SPPD. With reference to comments regarding the possibility of UNIFEM becoming an executing agency, he noted that there was not likely to be a huge portfolio of execution owing to the trend in national execution. Psychologically, the status of UNIFEM as an executing agency would mean empowerment for that organization. Resident representatives could then be proactive in seeing how UNIFEM could be more involved in the execution and implementation of programmes.

148. The Executive Board approved the following decision:

96/43. United Nations Development Fund for Women

The Executive Board

1. Welcomes the report of the external evaluation of the United Nations Development Fund for Women (DP/1996/33), in accordance with Executive Board decision 96/32;

2. Takes note with appreciation of the initial actions being undertaken by the United Nations Development Fund for Women and the proposals on follow-up to the recommendations of the Fund's external evaluation, as reflected in the reaction of the Fund to the evaluation report given during the current session;

3. Requests the United Nations Development Fund for Women to elaborate a more detailed and comprehensive response to the evaluation of the Fund by the first regular session 1997;

Programme strategies

4. Decides that the United Nations Development Fund for Women should produce a concise strategy and supporting business plan that emphasizes its catalytic, mainstreaming and advocacy roles. This should also demonstrate the Fund's intention to work increasingly with strategic and capacity-building activities. The strategy and business plan should clearly identify the Fund's role in the United Nations system and how its work relates to the work of other United Nations bodies. The Fund should report orally on progress at the first regular session 1997 and present the strategy paper and business plan during the annual session 1997;

5. Also decides that, in accordance with the Platform for Action of the Fourth World Conference on Women and with General Assembly resolution 50/120, the strategy should give due consideration to activities in the least developed countries and low-income countries, particularly in Africa;

6. Recommends that the United Nations Development Fund for Women continue to focus its programme and strengthen programme design and performance;

Management and administration

7. Encourages the United Nations Development Fund for Women to adjust, within the approved budget, its management, administration and personnel, bearing in mind the need to keep administrative costs at an appropriate level;

Coordination

8. Requests that the United Nations Development Fund for Women cooperate closely with the relevant United Nations organs and bodies, in particular the Division for the Advancement of Women of the United Nations Secretariat, in order to ensure that the Fund's advocacy activities form part of the system-wide efforts of the United Nations in the follow-up to the Fourth World Conference on Women, bearing in mind the need to avoid duplication and overlap;

Relationship with the United Nations Development Programme

9. Decides to consider at the first regular session 1997 the request of the Administrator that the United Nations Development Fund for Women may access funds from the support to policy and programme development facility, which will replace the TSS-1 facility in January 1997; and that arrangements be further explored regarding the possibility for the Fund to access United Nations Development Programme resources for purposes within the Fund's mandate and in accordance with United Nations Development Programme mandate and objectives, without jeopardizing the latter's own responsibility for the advancement of women;

Financial and reporting arrangements

10. Agrees to the re-establishment of the operational reserve at the initial level of $3 million and requests the United Nations Development Fund for Women to submit a detailed proposal for the methodology for calculating both the annual approval ceilings and the maintenance of the operational reserve level at the first regular session 1997 in preparation for the re-establishment of the partial funding system;

11. Invites the General Assembly to review the role of the Consultative Committee of the United Nations Development Fund for Women, bearing in mind the need for appropriate governance of the Fund;

12. Further invites the United Nations Development Fund for Women to continue its efforts to diversify its resource base by, inter alia, fund-raising from the private sector;

13. Decides that the United Nations Development Fund for Women shall resume biennial reporting on its work to the Executive Board, preferably at its annual session, except where separate reporting arrangements have been requested.

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149. After the adoption of the decision, one delegation, supported by three others, requested that UNIFEM report to the Executive Board at its first regular session 1997 on the role it could play in Eastern Europe, which would include the question of the need to extend its mandate. That delegation further requested that the information be included in the presentation of the strategy that would be prepared by UNIFEM for that session, in accordance with paragraph 4 of decision 96/43. The request was made in light of the comments on the Fund's mandate at previous sessions of the Executive Board and in agreement with the recommendations of the Consultative Committee for UNIFEM, which referred to the need to include in discussions on post-Beijing institutional arrangements and mandates the serious consideration of the role of UNIFEM in Eastern Europe. It was noted that the Fund, as part of the United Nations, should operate on the principle of universality.

IX. UNFPA/UNDP: HARMONIZATION OF PRESENTATION OF BUDGETS AND ACCOUNTS

150. In presenting the oral progress report on the item on behalf of UNDP and UNFPA, the UNDP Assistant Administrator and Director of the Bureau for Finance and Administration introduced the various working papers of the joint UNDP/UNFPA/UNICEF Harmonization Working Group, which the Executive Board members had received. He commented briefly on the working papers relating to terminology, which covered agreed terms and related definitions, agreed expenditure categories that would be used for the preparation of the 1998-1999 budgets, the agreed common format for the resource plan and the agreed-upon budget table formats. The Assistant Administrator then informed the Board that the Joint Working Group was still addressing certain issues such as the treatment of other resources, the reimbursement of services provided to third parties, and post and staffing information to be included in the budget estimates. He concluded his progress report by stating that the exercise had taken into account the various comments on budget harmonization made by the Advisory Committee on Administrative and Budgetary Questions and the External Auditors, and also noted the extensive effort made by key staff of all three organizations to make the exercise a success.

151. Several delegations were pleased to see the positive progress to date of the exercise. In that context, one delegation requested that the current success be kept on track while another delegate looked forward to continued acceleration of the exercise. Delegations felt that the exercise was useful to the organizations and the Executive Board. Both the Assistant Administrator and the Director, Division for Finance, Personnel and Administration, UNFPA, were appreciative of the positive comments made.

152. One representative, supported by another, while requesting the definition of programme versus administrative costs, was concerned that the distribution between programme support costs and administrative costs might become blurred, and stressed that the organizations must be very careful not to shift administrative costs to programme support in an arbitrary manner. The Assistant Administrator stressed that the composition of programme support and administrative costs as applied were fully transparent. The Director, UNFPA, stated that the definitions were provided in the paper on terminology; the Executive Board might wish to pursue the matter with the organizations, if it had any reservations about the definitions that had been provided.

153. Some delegations stressed the need for the organizations to ensure that with the new presentation of the budget, that comparability with the previous budgets remained possible. Both the Assistant Administrator and the Director, UNFPA, assured the Board that comparability would be possible.

154. One delegation was appreciative in seeing that terminology had been rationalized and that all sources and uses of funds could be seen comparatively for all the organizations. The same delegation stressed that with the new format there would be trade-offs as the Executive Board moved to looking at budgets with a more strategic focus.

155. One delegation was keen to see in the budget presentation the costs of country offices and the related contributions made by host Governments towards such local office costs.

156. The Executive Board took note of the oral progress report on the harmonization of budgets and accounts.

X. UNDP/UNFPA: REPORT ON FIELD VISIT OF THE EXECUTIVE BOARD

157. The Permanent Representative of the Gambia, Team Coordinator of the field visit to Malawi and Mozambique in June 1996, introduced the mission report (DP/1996/CRP.14).

158. The representative of the Netherlands, the team's rapporteur, informed the Executive Board of the findings and recommendations contained in the report. A main finding had been the difficulty in bridging the gap between headquarters and the country offices, that is, between theory and practice. However, he noted that it would be premature to enter into a full discussion of that issue at the present time, given the internal processes under way within the organizations. The team also found that steps should be taken to provide greater information at the country level on the work of the Executive Board, programme focus could be enhanced, and the procedures for the operationalization of the successor programming arrangements should be simplified.

159. He highlighted several other aspects of the mission report, such as the fact that both countries were in transition, the positive role of UNDP in aid coordination, and the difficulty in showing concrete results. The threat of HIV/AIDS was particularly significant, especially in Malawi, where 30 per cent of the urban population was affected. In Mozambique, some 14 per cent were affected by HIV/AIDS, including returning refugees. UNFPA had a significant role in the two countries. It was noted that the team had witnessed the work of traditional birth attendants trained by UNFPA. The team wished to meet with representatives of the UNDP Regional Bureau for Africa and UNFPA Africa Division to discuss further the various findings of the mission report.

160. Recommendations for future Executive Board field visits included the following: allow more time for reporting and analysis; minimize high-level protocol meetings; allow more Board members to participate if their interest was very high; and arrange shorter visits and possibly visit only one country.

161. The representative of Malawi expressed his country's appreciation for the work of the UNDP Resident Representative. He stated that his country had a new Government and was still in transition. The mission report highlighted the areas on which the Government continued to focus. He hoped the recommendations would be taken into account in order to enhance further the role of the Resident Representative in Malawi.

162. The representative of Mozambique expressed his Government's appreciation to the Executive Board for arranging the visit to his country. He cited the key factor of promoting people-centred development in Mozambique. Such missions were very important and increased monitoring was welcomed. The importance of

cooperation with UNDP, in particular the emphasis on capacity-building, transcended technical cooperation, as Mozambique was emerging from conflict and rebuilding its economic and social fabric. He anticipated that the relationship with UNDP and UNFPA would continue to be strengthened in his country at both the country and headquarters levels.

163. The Permanent Representative of Belize, one of the team members, stated that he was impressed by the development work in both countries. He noted concern about the need for sustainable energy sources in the two countries. The field visits were important as the reports provided UNDP and UNFPA with insights from delegations. He commented on a number of the recommendations, including the need to strengthen technical cooperation among developing countries (TCDC) at all levels, noting that the field visit itself was a form of TCDC. The visit had also shown that small investments were important, such as the provision of radios to enable people to learn about family planning. He asked that field visits be organized to non-recipient countries in order to enhance the image of the two organizations.

164. Delegations commented favourably on the mission report and cited the need for substantive discussion on the findings of the field visits, as well as the need to inform the Executive Board of follow-up on the recommendations at future sessions. Queries were raised about the comments made in the mission report on the relationship between headquarters and the country offices, the role of the Government in the development of the country strategy note in Malawi, and the measurement of programme success. Several speakers raised the issue of the effects of lack of resources on the programmes in the countries visited. One delegation requested further information on the provision of reproductive health services in Malawi.

165. One speaker requested that the next mission focus on the impact of UNDP and UNFPA programmes in the countries visited. That delegation also suggested that some historical background of the work of the organizations in those countries be included.

166. The Deputy Director of the UNDP Regional Bureau for Africa expressed the appreciation of the Bureau for the mission report. She stated that the interventions were very useful and that the recommendations of the report would be studied and followed up on. Further meetings on the recommendations of the mission report would be arranged. The Executive Board's exposure to field work could only benefit and strengthen the capacity of the Bureau to support its country offices and the countries concerned. In addressing the findings of the report, she noted that the perceived gap between headquarters and country offices could be linked to the many requests to respond to headquarters initiatives. The priority of the Bureau, however, was to respond to requests and priorities of the country offices. Enhanced programme focus was promoted through new planning instruments such as the programme approach, and the introduction of the successor programming arrangements, for which there were training sessions and workshops. She was in agreement that Malawi and Mozambique were in a period of transition. She noted that in Malawi, UNDP had sought to emphasize government management through pilot initiatives, which were district- and village-oriented and supported through the decentralization of funding to the district level. She noted the comments expressing concern about

HIV/AIDS and stated that UNDP was trying to maximize its assistance in that area. She commented that General Assembly requirements were that the country strategy note be formulated by the Government with the assistance of the United Nations system. She would, in that regard, review the case of the Malawi country strategy note. In response to the comment that the country offices were unaware of the United Nations Special Initiative on Africa, she stated that more information had been sent to the country offices since June, when the field visit had taken place.

167. The Deputy to the Director of the UNFPA Africa Division stated his appreciation for the findings of the mission report. Members had come back with the recognition of the seriousness of population challenges faced in those countries as well as accomplishments to date. He noted that in the population field, the two countries visited had started at a lower point in terms of awareness and services than most other countries in the African context. The awareness created, although still short of desirable levels, was therefore an impressive achievement. He noted that UNFPA was in the process of developing a rationalization of the numbers and types of requests by headquarters to country offices in order to give the offices more time to work on programme implementation. He also recognized that the slowness of responses from headquarters to country office inquiries was a frequent problem and part of the solution could be in the rationalization of the financial system since most interchanges related to the clarification of financial programmes. With regard to increased monitoring, it was hoped that government implementing agencies would eventually be able to do a considerable amount of monitoring currently falling to UNFPA, thus leaving UNFPA to look to broader questions of effectiveness and efficiency of support to countries.

168. The representative of the Netherlands thanked both organizations for the preparation and organization of the field visit.

169. The Executive Board took note of the mission report on the field visit to Malawi and Mozambique (DP/1996/CRP.14).

UNFPA SEGMENT

170. Before moving to the consideration of the first UNFPA agenda item, the President invited the Executive Director to report on developments at the Fund since the annual meeting of the Executive Board. In her statement, the Executive Director outlined some of the recent initiatives taken by UNFPA in its continuing implementation of the Programme of Action of the International Conference on Population and Development (ICPD), held in Cairo, Egypt, in 1994. She touched on efforts being made to increase execution of UNFPA-supported projects by Governments and non-governmental organizations (NGOs) and on the new country programme presentations that were being introduced at that session in response to recent decisions of the Board. She also reported on the work of the Task Force on Basic Social Services for All of the Administrative Committee on Coordination, of which she was the chair, as well as on the support of UNFPA for and participation in UNAIDS. She noted in that regard that UNFPA was the current chair of the Committee of Co-Sponsoring Organizations of UNAIDS.

171. The Executive Director briefly discussed the financial situation of UNFPA, reporting that it seemed likely that the Fund would not be able to duplicate the significant increase in income that had been experienced the previous year, immediately following the ICPD. It appeared as though the income in 1996 would be at about the same level as in 1995. That was a matter of concern given the great reproductive health needs of developing countries and the commitments that had been made by the world's Governments at the ICPD. She called upon all countries to look again at their funding levels to see if they could do more. She also reported that the Fund was trying to devise additional strategies for increasing resources.

172. Members of the Executive Board welcomed the Executive Director's comments and said that they appreciated the opportunity to have a dialogue with her. Most of the comments concerned the Fund's income situation, and many delegations called upon countries to live up to the commitments they had made at the Cairo conference. One delegation mentioned the concern felt in Latin America and the Caribbean that, given the Fund's new approach for resource allocation as contained in decision 96/15 and the level-income trend, that total UNFPA funding to the region could actually decrease. Several delegations asked for more specific information on the Fund's ideas for new funding strategies.

173. In her reply, the Executive Director said that possible funding initiatives included calling upon non-traditional donor countries; asking programme countries themselves to help in finding bilateral assistance in funding multi-bilateral activities; and, possibly, interesting the private sector in supporting UNFPA projects. She also reported that UNFPA had been having valuable discussions with the European Union, and she hoped to be able to announce areas of mutually agreed-upon cooperation in the near future. In response to concerns about different funding levels in the regions of the world, the Executive Director stated that it had never been the Fund's intention that one region would suffer even if more resources were being devoted to another region. That did, of course, depend on the Fund's ability to continue to register growth in its funding levels, which the results of the Cairo conference had seemed to promise. Beyond that, the Fund was trying to maintain an equitable distribution among countries within each of the groups established by decision 96/15. She also stated that the Fund would continue to work on refining the indicators used in implementing decision 96/15, realizing that the quality of the data used for certain indicators varied from country to country.

174. Following the Executive Director's statement and the ensuing discussion, the President introduced Ms. Ingar Brueggemann, the Secretary-General of the International Planned Parenthood Federation (IPPF), the largest NGO in the world working in the field of reproductive health, specifically in the area of family planning. Ms. Brueggemann discussed the recent memorandum of understanding that had been signed between UNFPA and IPPF in July 1996, telling the Executive Board that it would increase the scope for cooperative implementation and evaluation of reproductive health activities between the two organizations. She also discussed the more general question of expanding cooperation between United Nations agencies and NGOs, as called for by, inter alia, the ICPD Programme of Action. She elaborated on how the different strengths of NGOs and intergovernmental organizations could complement each other if they worked in

partnership to bring about their mutual aim - the improvement of the quality of life of the people of the world.

175. Several delegations took the opportunity to welcome the statement by Ms. Brueggemann and the recently signed memorandum of understanding between UNFPA and IPPF. Some delegations reported that their Governments made contributions to both organizations and stated that increased cooperation between the two could only lead to greater effectiveness on the part of both. In discussing the general question of the increased use of NGOs for execution of UNFPA-supported activities, several delegations pointed out that it implied improved mechanisms for selecting appropriate NGOs with which to work and for ensuring their accountability. The Executive Director agreed that such was the case and informed the Executive Board that the Fund was working on improving its capacity in these areas.

XI. FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

176. In her statement to the Executive Board on UNFPA financial operations in 1995, the Director of the Division for Finance, Personnel and Administration (DFPA) highlighted some of the significant developments that had been presented in the Annual Financial Review (document DP/FPA/1996/22). The Fund's regular resource income had increased almost 18 per cent from 1994 to 1995, reaching $312.6 million in the latter year. There had also been a significant increase in the amount of multi-bilateral assistance income.

177. The increase in income in 1995 continued the favourable trend reported for the year 1994 when regular resources rose 21 per cent compared to the previous year, 1993. The Director stressed, however, as had the Executive Director, that it did not appear that there would be similar increases in 1996, saying that UNFPA could readily utilize additional funds. The capacity for additional resource utilization was illustrated by the fact that in 1995 the Fund had been able to increase its total programme expenditures at the same time that it had reduced unspent resources from previous years. Programme expenditures in 1995 had increased by 65.3 per cent over that in 1993 while year-end unspent resources had declined in both quantitative and percentage terms, from $47.2 million, or 21.5 per cent of UNFPA regular resources, in 1993 to $23.7 million, or 7.6 per cent, in 1995. She outlined the amounts of project expenditures that had been executed by various modalities, including Governments, UNFPA, other United Nations agencies and non-governmental organizations (NGOs). The Director was able to report that the percentage of total expenditures devoted to administrative and programme support services (APSS) had declined from 22.2 per cent in 1993 to 16.1 per cent in 1995. Measured against income, the percentage had declined from 20.5 per cent to 16.1 per cent.

178. The Director noted that the improvement in programme delivery and the reduction in unused resources at year-end over the last few years had been made possible because of such measures as further decentralization in decision-making at headquarters and in the field; simplification and streamlining of programming procedures; diversification of project modalities, with gradually increasing

government execution; speeding up of financial reporting; and increased training of staff.

179. The Director underlined the fact that while programme expenditure had increased so had oversight of UNFPA activities. Audit coverage had greatly increased over the last few years, with the assistance of a UNFPA audit section in the UNDP Division for Audit and Management Review and the UNDP regional service centres established in Kuala Lumpur and Harare. In addition to the standard audit exercises at headquarters, more than 50 country offices were audited in 1995, compared to only 5 in 1993.

180. In their comments on the Annual Financial Review, several delegations noted that they found the report to be clear, easy-to-read, comprehensive and succinct, and they thanked the secretariat for preparing such a useful document. Several delegations also noted that the Review indicated that the financial situation of the Fund was basically healthy, although they regretted that 1996 would not show the same increase in income that had been registered in 1995. A number of delegations pointed out that it was the trend over a number of years that was important, and in that regard the financial situation of UNFPA was favourable. Other delegations commented that the trend was both a recognition of the high quality of work being done by UNFPA and an indication of the seriousness with which countries had taken the commitments they had made at the ICPD in Cairo in 1994.

181. A question was raised about the decline in the last few years of the number of donor countries to the Fund. Several delegations noted with appreciation that there had been an increasing amount of resources devoted to Africa, and they looked upon that as being a positive development in line with Executive Board decisions. One delegation referred to the importance of South-South cooperation. Several delegations expressed their satisfaction that the increase in the APSS budget had been much lower than the overall increase in expenditures. Delegations also commented favourably on the declining trend in carry-overs from one year to the next. They urged the Fund to continue to keep a close eye on that since there should be neither overexpenditure nor too much underexpenditure.

182. One delegation questioned whether the continuing provision of 20 per cent of income as an operational reserve was necessary. One delegation was pleased to see that the amount of unpaid pledges was greatly reduced. Another delegation commented favourably about the increase in audit activity. Several delegations expressed concern about the fact that the percentage of projects executed by Governments had declined in the last year while those of UNFPA-executed projects had gone up. That was a source of concern since one of the Fund's priorities should be to increase national capacity for project execution while UNFPA was meant to be a funding and not an executing agency. Also, in that connection, delegations mentioned that they were pleased that there had been increasing use of NGOs to execute projects (up by 18 per cent from 1994 to 1995) but the overall percentage of such projects was still moderate and needed to be increased. Another question was raised as to why UNFPA spent a large percentage of resources on the procurement of contraceptive supplies. Additional information was also requested about trust funds, asking from which countries they were being provided and for what purpose.

183. In replying to some of the questions raised by delegations, the Deputy Executive Director (Policy and Administration) noted that the forecasts for income in 1996 were based on conservative and prudent forecasts, which had always been the Fund's practice. He reminded the delegates that the 20 per cent operational reserve had been mandated by the Executive Board, most recently in 1994. He felt that the requirement was still reasonable and responded to the Fund's needs. In response to the query of one delegation about the slow beginning of the fifth UNFPA country programme in Indonesia, which started in 1995, he explained that the realignment of the new country programme with the ICPD goals had unfortunately caused a slower-than-expected rate of implementation in 1995.

184. The Director for Finance, Personnel and Administration responded to the several queries that had been raised about national execution of projects. She agreed with the Board that it was a very important matter and one that UNFPA was in the process of reviewing with a view to strengthening the Fund's performance in that area. Increasing national execution of projects required increasing the ability of Governments and NGOs to monitor and audit projects in order to ensure their accountability for the funds under their custody. She informed the Executive Board that the Executive Director had recently instructed the UNFPA staff to avoid substituting UNFPA execution for government execution and to ensure that conditions were created that would allow Governments to assume greater execution responsibility. In that connection, the Executive Director had stressed the following general principles: that UNFPA in the first instance must continue to promote national execution of UNFPA-supported projects; whenever national capacity did not yet exist or where such capacity was limited, UNFPA should consider designating other partners in the United Nations system or international NGOs as executing agencies, with the understanding that national capacity-building should be their primary task.

185. With respect to the issue of UNFPA procurement, the Director explained that UNFPA had a comparative advantage for the procurement of contraceptives and related supplies. Thus, part of the reason for the increase in money spent on UNFPA-executed projects was the large number of requests the Fund was receiving from Governments for assistance in procuring contraceptives. That service was also one way of helping Governments to carry out their own population and reproductive health projects. She indicated that such type of procurement was certainly in line with the concept of lead agency as defined by the Inter-Agency Procurement Working Group (IAPWG), in which UNFPA was an active participant. As such, UNFPA represented a major share of contraceptive procurement, had the necessary technical competence and was committed to coordinated procurement.

186. The Director agreed with delegations that the Fund needed to work to increase the number of donor countries. She indicated that because of lack of time she would follow up with delegations individually on some of the other questions that had been raised, i.e., with respect to trust funds and NGOs. The Director thanked the delegates for their encouraging remarks and assured them that UNFPA management would be guided by their many constructive observations.

187. The Executive Board took note of the Annual Financial Review, 1995, as contained in document DP/FPA/1996/22.

XII. UNFPA: COUNTRY PROGRAMMES AND RELATED MATTERS

188. Before introducing the new country programmes that the Fund was bringing to the Executive Board for its guidance and approval, the Deputy Executive Director (Programme) made a brief statement concerning the new presentation of country programme documents prepared for the Board. She noted that the new presentation was in response to three Board decisions: 96/13, calling on the Fund to re-think its country programme presentations; 95/15, on UNFPA programme priorities in light of ICPD; and 96/15 on the new approach for resource allocations. The new programme presentations were shorter - by about 40 per cent - than in the past, and, it was hoped, focused more on matters of concern to the Board, including lessons learned, comparative advantage, strategy, implementation plan, and expected results. The Deputy Executive Director said that she realized that improving the documents was an ongoing process, and one in which the Fund very much welcomed the comments and guidance of the Board.

189. Many of the delegations expressed support for the new presentations, saying that they found them to be much clearer and easier to read than in the past and felt that they went some ways towards reaching the goals of being more analytical and focusing on such matters as lessons learned and their application and on the comparative advantage of UNFPA vis-à-vis other donors. Many delegations emphasized that they wanted the Fund to continue in that direction, especially in the areas of lessons learned and on the modalities for implementing UNFPA programmes. The Deputy Executive Director concurred that those were areas that needed work.

190. Among the comments of various delegations, there were suggestions that, in spite of the improvements, the documents still needed to be more analytical and to concentrate even more on the focus and strategy of the proposed programmes. Delegations felt that UNFPA needed to identify its strategic niche and to demonstrate how it was arrived at and how it would be fulfilled. Several delegations commented that there needed to be clearer "outputs" that were expected from the programmes in order to have benchmarks for evaluating the success of the programme on its completion. Several delegations stated that the means of implementation should be made more explicit, especially in relation to such matters as national execution, national capacity-building and absorptive capacity.

191. One delegation requested that there be a clearer linkage to national development plans and that the main methods of contraception in use in a country be spelled out. Another delegation welcomed the shorter papers but stated that it might also be advisable to have one-line descriptions that would summarize the main points of the programme very succinctly. The same delegation recommended that the indicators relating to ICPD goals should be put ahead of the usual demographic facts since they were more relevant to the actual programme being proposed. One delegation, speaking for another as well, stated that it hoped that the programme review and strategy development process, which was the key to the programming process, would not become "routinized" and that it should focus on the individual needs of each country. Those delegations also proposed that the papers contain a logical-framework annex that would have a clear purpose statement, outputs and indicators of achievement.

192. In their replies, both the Executive Director and Deputy Executive Director welcomed the positive comments and said that they would take to heart the many constructive suggestions that had been made. In discussing the need for programme indicators or outputs, they pointed out to the Board just how difficult they were to identify and measure. UNFPA was in all cases contributing to a national programme, which necessarily included many inputs from a number of sources, all of which were designed to bring about positive social changes. In such a context, it was sometimes hard to measure what role UNFPA played and what the specific results of its efforts were. In that case, "process indicators", which showed such things as number of staff trained or health facilities equipped, were not enough. What was needed was an indication of what the collective programme had done to improve the lives of people. That was extremely difficult, but the administration recognized the need to continue working to develop appropriate indicators in order to be able to show, and not just to the Executive Board, that UNFPA efforts were making a difference.

193. The Deputy Executive Director also informed the Board that there were several country programmes that the Fund would like to extend through the end of 1997, with no additional funding required. Because of the large number of country programmes expiring in 1996, a great strain was being put on the Fund's programming process. Therefore, those programmes that still had sufficient funds available to carry out activities through 1997 would be extended by an extra year in order that the new programmes could be given the full consideration they merited. These programmes were: Botswana, Colombia, Democratic People's Republic of Korea, Gabon, Jordan, Lesotho, Malaysia, Maldives, Mauritania, Papua New Guinea, Paraguay, Sao Tome and Principe, Swaziland and Thailand and the pre-programme activities in South Africa.

A. Latin America and the Caribbean

194. The Deputy Executive Director (Programme) presented the proposed country programmes for Latin America and the Caribbean. A number of delegations made comments of general support for the proposed programmes in that region, as well as elsewhere. Commenting on programmes in the Latin American and Caribbean region, delegations reiterated their concerns that the region not suffer as a result of the new approach for resource allocations. In this regard, the Permanent Representative of Panama intervened to say that while his country was very grateful for the UNFPA support that it had received and was receiving, there was great concern in his country about the classification of Panama as a group "C" country under the new approach. There was a fear that, in fact, resources for Panama would be cut and the gains that the country had made would be lost. The matter was taken seriously enough in his country that the Social Cabinet on 23 July 1996 had approved a resolution expressing its concern. He pointed out the large number of problems still being faced in Panama, including the large percentage of the population living below the poverty line and, especially, the great needs of the indigenous population, whose maternal mortality, infant mortality, female illiteracy and school drop-out rates were especially high. His country appreciated the responsiveness of the Fund in addressing the question.

195. In her reply, the Deputy Executive Director stated that it was understandable that there were concerns about the new approach for resource allocation, but she assured the Board that every effort would be made to ensure that gains already made would not be jeopardized. In any case, she reported that the system was only now beginning to be applied for new programmes that started in 1997. Commitments already made were being honoured, and the only possible constraint on new allocations was if the Fund's income actually declined, which she hoped would not be the case. The new approach was being implemented in a phased and flexible manner. As always, UNFPA assistance would be focused on the most disadvantaged groups.

196. In speaking of the Latin American region as a whole, several delegations mentioned the importance that information, education and communication (IEC), especially family life education, played in the region. They also brought up the important need for increased advocacy efforts to help bring about a climate of opinion favourable to implementing the ICPD Programme of Action. The Deputy Executive Director concurred with these views.

Assistance to the Government of Honduras (DP/FPA/CP/154)

197. The important role of advocacy was referred to by the Deputy Executive Director when she introduced the proposed new country programme for Honduras. A major part of the proposed programme involved working with the Government and civil society to consolidate a national consensus on population and reproductive health issues, especially in regard to gender equity and the rights of women. Another area in which the Fund would help the Government would be in improving reproductive health services; the Fund would concentrate its efforts in three areas of the country. UNFPA would also help to build up a critical mass of trained personnel so that population factors would be taken into consideration in all relevant government departments. The Fund would also support enhancing technical capacity for carrying out decentralized programming activities.

198. Several delegations spoke in favour of the proposed programme. One delegation pointed out that the provision of condoms was important in the Honduran context, both as contraceptive and HIV/AIDS prevention measures, but this had not been dealt with in document DP/FPA/CP/154. The same delegation also questioned why the important assistance being received from the European Union had not been mentioned. Another delegation pointed out that the document had said that UNFPA was the only donor supporting "comprehensive reproductive health" programmes, but, in fact, the United States Agency for International Development (USAID) was also doing so. The same delegation pointed out the large discrepancies that existed in the provision of reproductive health services between urban and rural areas and questioned why two of the three areas for UNFPA support were in the two largest urban areas.

199. In her replies, the Deputy Executive Director was joined by the UNFPA Representative for Honduras, who had given an informal briefing on the proposed programme to the Executive Board the previous day. She informed the Board that condoms in Honduras were being provided by the programme of assistance of USAID, and, therefore, for the time being, that was not part of the UNFPA programme. The roles that the European Union and USAID were playing in Honduras were important, and UNFPA worked in close cooperation with them. As regards the

geographical focus of the proposed programme, the Representative pointed out that, first of all, it was the Government of Honduras that chose the proposed areas for UNFPA assistance. Beyond that, however, she could assure the Board that the Fund would be working in areas of great need - in marginal areas of Tegucigalpa and San Pedro Sula, where there was very limited availability of reproductive health services. UNFPA support would focus on improving the availability and accessibility of such services, including taking into account the needs of adolescents and of women working in assembly factories.

200. The Executive Board approved the proposed country programme for Honduras as presented in document DP/FPA/CP/154 in the amount of $8.2 million over the four-year period 1996-1999.

Request for extension of, and additional resources for, the country programme for Bolivia (DP/FPA/1996/25)

201. In introducing the proposed extension for the Bolivia country programme, the Deputy Executive Director said that the proposed extension would allow for the harmonization of programme cycles and would also allow the Fund to prepare a new country programme that would take into account the Government's recently adopted decentralization strategy and the ongoing efforts to implement the "Plan Vida", whose chief aim was to reduce maternal mortality.

202. One delegation, speaking in favour of the proposed extension, said that Bolivia was one country in which very fruitful collaboration took place between USAID and UNFPA, both agencies having similar approaches. In speaking of plans for decentralization, that delegation was concerned about the ability of localities and municipalities to carry out the functions being given to them. It also felt that sustainability was an important question in Bolivia and encouraged UNFPA to assist in that regard, particularly in clarifying the role that the private sector could play. The delegation also encouraged UNFPA to concentrate on underserved areas, targeting those most in need. Another delegation inquired whether the Fund was collaborating with the new government agency devoted to women's issues.

203. In replying to the questions from delegations, the Deputy Executive Director thanked the delegations for their support and said that all of the issues raised were also concerns of UNFPA. However, delegations should be aware that what was being proposed was a one-year extension of the ongoing country programme, and many of the concerns, such as those dealing with decentralization, would be dealt with more completely in the new programme to be presented to the Executive Board in 1997. She informed delegations that UNFPA had indeed started an effective collaboration with the Sub-Secretariat on Gender Issues.

204. The Executive Board approved the extension of the country programme for Bolivia for the year 1997 for an additional amount of $1.9 million as presented in document DP/FPA/1996/25. The delegation of Bolivia expressed appreciation to the Board for the extension of the programme and was pleased to note that the programme cycles of UNFPA, UNDP and UNICEF would be coordinated in the future.

Request for extension of, and additional resources for, the country programme for Cuba (DP/FPA/1996/23)

205. The Deputy Executive Director reported that in the case of Cuba the proposed programme extension would mostly serve to expand the availability of contraceptives, which was a major preoccupation given the country's economic difficulties. Cuba had made great strides in improving the health, including the reproductive health, of its inhabitants, but this was being compromised by current difficult circumstances as shown, for example, by the rise in the number of abortions.

206. Several delegations supported the proposed extension of, and additional resources for, the UNFPA country programme in Cuba, noting the country's economic situation. The completion of the oral contraceptives factory, which was being partially funded by UNFPA, would go a long way towards giving the country an assured supply of contraceptives. In this regard, it was also pointed out that the availability of condoms was an important issue in Cuba, both as a contraceptive measure and to help in the prevention of HIV/AIDS. One delegation questioned why the Board was only now being asked to approve the programme extension, which was for the year 1996. The Deputy Executive Director apologized for the delay, saying that the proposed extension had had to be postponed for technical reasons.

207. The Executive Board approved the extension of the country programme for Cuba, with an additional funding authority of $2.9 million, to the end of 1996, as presented in document DP/FPA/1996/23. The delegation of Cuba expressed its appreciation for the continuing support from UNFPA.

B. Africa

Assistance to the Government of Zimbabwe (DP/FPA/CP/160)

208. In her introduction to the proposed programme for Zimbabwe, the Director of the Africa Division informed delegations that under the new approach for resource allocation, Zimbabwe would be classified as a "B" country. The priorities for the UNFPA programme in the country would be to help reduce the rate of maternal mortality and to improve the status of women. There were also important programme components designed to address the reproductive health needs of adolescents and for IEC campaigns with young people as the target audience. HIV/AIDS was a serious problem in Zimbabwe, and UNFPA would collaborate with UNAIDS in seeking to control its spread, chiefly through advocacy activities.

209. One delegation mentioned that in the case of Zimbabwe, as with all UNFPA programmes, it was necessary to focus on certain priority areas, rather than trying to do a little of everything. Delegations noted that that was particularly true in Zimbabwe where there were a number of outside donors and one of the key issues was to ensure the effective coordination of their support. It was pointed out that in document DP/FPA/CP/160 mention had been made of a lack of ministerial support for prior activities in the area of maternal and child health. The delegation wanted to know what the Government's present level of commitment for these activities was. Delegations noted that HIV/AIDS was a

very serious issue in Zimbabwe, and the Fund, therefore, should collaborate closely with UNAIDS. In this regard, one delegation questioned why the impact of AIDS had not been reflected in national demographic studies.

210. In her reply, the Director of the Africa Division said that effective collaboration among donor agencies in Zimbabwe was a priority and one that UNFPA was pursuing. She reported that previous bureaucratic impediments to the implementation of the maternal and child health programme had been overcome and that UNFPA realized that the programme could only succeed if there was a sense of national ownership. In that regard, the UNFPA programme aimed to build on the strengths of both the Government and civil society in increasing national capacity for programme execution. As far as the need to incorporate the effects of HIV/AIDS into national planning, that was beginning to happen and was an area in which UNFPA was providing assistance.

211. The Executive Board approved the proposed country programme for Zimbabwe as presented in document DP/FPA/CP/160 in the amount of $8.9 million over the four-year period 1996-1999. The delegation of Zimbabwe thanked the Fund for its support, although it was somewhat concerned that under the new approach for resource allocation the country had changed from being a priority country to being classified as a "B" country. The delegation hoped that would not adversely affect the level of funding in the future.

Request for additional resources for the Ethiopia country programme (DP/FPA/1996/26)

212. The Director of the Africa Division reported that there had been an extraordinary change vis-à-vis attitudes concerning family planning in Ethiopia in the last few years. This had led to a much greater than expected need for contraceptives, and the Fund was proposing to spend an additional $10.3 million to the end of the programme cycle in 1997 in order to help provide for these contraceptive needs as well as to expand access to, and the quality of, reproductive health services. The Fund also proposed to redistribute funds within the different areas of the programme to take account of changed circumstances. The UNFPA programme would also be adjusted to reflect the Government's process of regionalization, and greater IEC efforts would be directed to the needs of rural populations.

213. One delegation mentioned that the Fund's support for advocacy activities in Ethiopia, where it had clearly made a difference in changing national attitudes, was a very desirable part of the programme, as it was in other African countries. Another delegation stated that UNFPA was a very valuable development partner in Ethiopia and welcomed greater collaborative efforts with the local office of USAID, which might be able to help the Fund in meeting the country's rapidly expanding need for contraceptives. That delegation also noted that the National Office of Population had been moved out of the Prime Minister's office and wondered whether that affected its visibility. Another delegation stated that it felt that the programme should put more emphasis on improving the status of women. The Director of the Africa Division said that was an increasing priority of UNFPA activities.

214. The Executive Board approved the additional resources for the country programme for Ethiopia in the amount of $10.3 million as presented in document DP/FPA/1996/26. The Head of the National Office of Population expressed the gratitude of his country for the support received from UNFPA and stated that Ethiopia was committed to reaching the goals of the National Population Policy. In that regard, he was happy to report that his own agency was gaining increasing support for its activities.

Request for extension of, and additional resources for, the Madagascar country programme (DP/FPA/1996/24)

215. The Director of the Africa Division reported that population activities in Madagascar had seen an extraordinary development in recent years because of increasing government commitment and the success of IEC efforts. The programme could therefore effectively utilize greater resources, especially in aiding efforts to reduce maternal mortality. The requested additional resources would also be utilized for increasing IEC activities, especially in rural areas and those designed for young people, and, in collaboration with other donors, for carrying out a demographic and health survey.

216. One delegation noted that because of its age structure Madagascar had a very large sexually active population and warranted the additional support that UNFPA was proposing. The same delegation also welcomed the fact that UNFPA was concentrating its activities in certain provinces of the country, in cooperation with other donors working elsewhere. IEC activities were very important in the context of Madagascar. For example, HIV/AIDS was not yet a very serious problem in the country, but this could easily change and IEC efforts would be crucial to containing it.

217. The Executive Board approved the extension of the country programme for Madagascar through the year 1998 with an additional amount of $3.9 million as presented in document DP/FPA/1996/24. The Permanent Representative of Madagascar thanked the Fund for its continuing support.

C. Arab States and Europe

Programme of Assistance to the Palestinian People (DP/FPA/CP/157)

218. In her introduction to the proposed Programme of Assistance to the Palestinian People, the Director of the Division for Arab States and Europe said that this first UNFPA programme would focus on two major concerns: the lack of reliable demographic data and the limited access that women had to quality reproductive health services. To assist in those areas, UNFPA would provide support for the first census in 30 years and would help to strengthen reproductive health services in primary health care centres, in collaboration with other donors. The Fund would also cooperate with the Palestinian Authority in carrying out advocacy activities addressing gender concerns.

219. Several delegations expressed support for the first UNFPA Programme of Assistance to the Palestinian People. The Counsellor of the Permanent Observer Mission of Palestine to the United Nations thanked the Fund for the first

Programme of Assistance. It would help the Palestinian people realize their goals in terms of population and in improving conditions of reproductive health. In particular, the assistance being proposed for carrying out the much-needed census would be of great value. He also thanked the Deputy Executive Director for amending the title and text of the proposed programme to make clear that it was being proposed for "The Palestinian people" and requested that such wording be reflected throughout the document.

220. The Executive Board approved the proposed programme of assistance for the Palestinian People as presented in document DP/FPA/CP/157 in the amount of $7.2 million over the four-year period 1996-1999.

Assistance to the Government of Tunisia (DP/FPA/CP/156)

221. In presenting the proposed programme for Tunisia, the Director for Arab States and Europe stressed that the country had made much progress in terms of reaching the ICPD goals, but that there remained significant disparities within and between various regions of the country. Therefore, UNFPA would focus its assistance on underserved and rural areas where reproductive health indicators were below national averages. Also, in the past, much of the programme had been specifically addressed to the needs of women, and there was a need to address the concerns of other groups as well, such as adolescents and men. She also mentioned that Tunisia was playing an increasing role in terms of South-South cooperation in the areas of population and reproductive health, and that was to be encouraged.

222. Several delegations spoke in favour of the proposed country programme for Tunisia. The Counsellor of the Permanent Mission of Tunisia endorsed the proposed programme and thanked the Fund for the fruitful collaboration that had existed between Tunisia and UNFPA.

223. The Executive Board approved the proposed country programme for Tunisia as presented in document DP/FPA/CP/156 in the amount of $7 million over the five-year period 1997-2001.

D. Asia and the Pacific

Assistance to the Government of Cambodia (DP/FPA/CP/159)

224. The Director of the Division for Asia and the Pacific expressed his appreciation for the several delegations that had participated in the previous day's informal briefing on the proposed country programme for Cambodia. The briefing had been made by the UNFPA Representative for Cambodia, who was present at the Executive Board. In introducing the programme, the Director of the Division for Asia and the Pacific pointed out that Cambodia was an "A" country with very great needs in terms of reproductive health and population. The proposed programme would help in addressing those needs by focusing on national capacity-building, which was the priority area for all development assistance in Cambodia.

225. One delegation raised the question as to whether or not the reference to weak government commitment mentioned in document DP/FPA/CP/159 did not conflict with the programme's strategy of working with the Government in undertaking the programme's activities. The UNFPA Representative for Cambodia replied that there was commitment but that Cambodia had the unusual situation of having two co-equal prime ministers, sometimes leading to a lack of clarity about government priorities. The line ministries were committed to carrying out the programme, and he was confident that UNFPA could work effectively with them. The Fund was also organizing a population forum where population and reproductive health issues could be discussed at the highest level, and that should help strengthen political support behind them.

226. The Executive Board approved the proposed country programme for Cambodia as presented in document DP/FPA/CP/159 in the amount of $16 million over the four-year period 1997-2000.

Assistance to the Government of Sri Lanka (DP/FPA/CP/155)

227. Sri Lanka had, according to the Director of the Asia and Pacific Division, reached all of the ICPD-related goals established in the new approach for allocation of resources, and therefore was classified as a "C" country. These national averages, however, included certain parts of the population and regions of the country where the indicators were much less favourable; the proposed programme would concentrate on these, including the problems of adolescents and of women in underserved areas. It was very important in a country like Sri Lanka not to jeopardize the gains that had already been made.

228. One delegation wondered whether the UNFPA programme would be able to support the populations in the areas affected by the conflict in the north and east of the country. The Director of the Asia and Pacific Division replied that UNFPA support would be concentrated not only at the central level but would also include underserved areas and groups, many of which were in the conflict areas, as well as vulnerable groups, such as displaced populations. UNFPA had been providing assistance in conflict areas cleared by the Government and would provide emergency assistance in reproductive health in conflict areas.

229. The Executive Board approved the proposed country programme for Sri Lanka as presented in document DP/FPA/CP/155 in the amount of $7.6 million over the four-year period 1997-2000. The delegation of Sri Lanka expressed its appreciation for the assistance being provided in the country programme. He also stated that his Government was very proud that the country had met so many of the ICPD goals but wished to reiterate that it still required assistance in improving the reproductive health of the Sri Lankan people.

Assistance to the Government of Viet Nam (DP/FPA/CP/158)

230. The Director of the Asia and Pacific Division explained that Viet Nam had been classified as a category "B" country under the new approach for resource allocation. Even though it had a low per capita income, it had made great strides in improving its reproductive health indicators. UNFPA's proposed programme would focus on assisting reproductive health services in six provinces, five of which were ones in which the Fund had worked in the previous

country programme. The aim was to coordinate international assistance to ensure complementarity of the programmes of different donors. UNFPA would also support some activities at the central level aimed at further integrating reproductive health into the national primary health care system.

231. One delegation commented favourably on the fact that the programme in Viet Nam seemed to be very focused in what it was trying to achieve. This same delegation did question how the programme proposed to work more closely with NGOs when experience had shown that NGOs were quite weak in Viet Nam. The delegation pointed out that the mix of contraceptive methods in use in Viet Nam seemed to rely heavily on the intra-uterine device (IUD) and to leave the responsibility for family planning to women. Were efforts being made to change that?

232. In his reply, the Director of the Division for Asia and the Pacific stated that UNFPA's policy had always been to support a "cafeteria approach" for the supply of contraceptives, leaving it to the individual or couple to decide which was the most appropriate. UNFPA was aware, however, of the unusually high usage of intra-uterine devices (IUDs) in Viet Nam, and the Fund had sponsored studies to analyse the reasons for that, looking at questions of user preference and service provider attitudes, in order to address the issues. With reference to the role of NGOs in Viet Nam, the Director explained that the Fund had been collaborating closely with grass-roots organizations in Viet Nam and was exploring new ways of increasing support to NGOs in several countries of the region, including Viet Nam.

233. The Executive Board approved the proposed country programme for Viet Nam as presented in document DP/FPA/CP/158 in the amount of $24 million over the four-year period 1997-2000. The delegation of Viet Nam expressed its appreciation for the support that was being extended by the Fund.

XIII. INTER-AGENCY COORDINATION IN HEALTH POLICY AND PROGRAMMING

234. In her oral report to the Executive Board on inter-agency coordination in health policy, the Executive Director reminded members that at the second regular session 1996, the Board had asked her to report back on efforts that were being made to strengthen cooperation further in that area, in particular with the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF). She was pleased to report that collaboration at the operational level was very effective, and she cited several examples. However, it had become apparent that in order to strengthen coordination at the policy and strategy level the Executive Board should pursue membership in the Joint Committee on Health Policy (JCHP), which currently consisted of representatives of the Executive Boards of WHO and UNICEF. At its special session in May 1996, the JCHP had taken up many important topics, several of them, in such areas as maternal health and mortality, adolescent health, reproductive health, and HIV/AIDS, being of direct relevance to the mandate of UNFPA. At the annual session of the Executive Board of UNICEF, the discussions had clearly indicated the valuable role that the JCHP played in helping that body develop policy and strategy. She felt that membership could be equally valuable for the Executive

Board of UNDP/UNFPA, and she asked members of the Board to consider that possibility.

235. Delegations welcomed the Executive Director's recommendation that the UNFPA Executive Board become a member of the JCHP, saying that they favoured all efforts to increase and improve coordination and cooperation between different parts of the United Nations system. Several delegations mentioned that when the issue had first been discussed at the second regular session 1996, they had been somewhat sceptical about the value of such membership. Since then, however, the positive reaction of the UNICEF Executive Board vis-à-vis the work of the JCHP, as mentioned in the Executive Director's statement, had convinced them that the body had a valuable role to play and that, therefore, it was worthwhile for the UNFPA Executive Board to be a member. That was especially true since it had become apparent that the JCHP considered many issues relating to reproductive health, in which case it was important not only that the voice of UNFPA be heard but that the JCHP help the Fund in developing its own policies and strategies. Some delegations still had concerns about the value of the role played by the JCHP and about the imbalance in participation at its meetings; they also wondered whether it was not a more reactive than pro-active body. However, on the whole, they felt that participation of UNFPA in its deliberations would be beneficial. A question was raised as to who actually participated in the deliberations of the JCHP: although it was the Executive Boards themselves that were the official members, most of the participants, in fact, appeared to be health experts from the secretariats or outside bodies.

236. The Executive Director clarified the question of participation in the JCHP by informing delegations that the main role of the Committee was to serve as a technical advisory body and, therefore, although members of the Executive Boards did take part in deliberations, most of the representatives of the Boards were experts from different health specialties. A question arose as to how the Executive Board should proceed in pursuing membership in the JCHP. Since the Board itself would be joining the JCHP, the consensus was that the question of membership should be pursued through the Presidency of the Board. The President then asked the delegation of Canada to coordinate drafting a decision to that effect.

237. The Executive Board adopted the following decision:

96/38. Coordination in health policy and programming

The Executive Board

1. Welcomes the oral report of the Executive Director of the United Nations Population Fund on coordination in health policy and programming;

2. Reaffirms the need for close collaboration at all levels among the United Nations Children's Fund, the World Health Organization and the United Nations Population Fund in the area of health policy and programming, including reproductive health, and invites the UNICEF-WHO Joint Committee on Health Policy to ensure that the United Nations Population Fund can participate in the meetings of the Joint Committee on Health Policy;

3. Requests the President of the Executive Board of the United Nations Development Programme and of the United Nations Population Fund, with the assistance of the secretariat of the United Nations Population Fund, to ascertain the views of the Executive Boards of the World Health Organization and the United Nations Children's Fund on possible membership of the Executive Board of the United Nations Development Programme and of the United Nations Population Fund in the Joint Committee on Health Policy;

4. Requests the President of the Executive Board of the United Nations Development Programme and of the United Nations Population Fund to take appropriate action to enable the United Nations Population Fund secretariat to participate as an observer in the Joint Committee on Health Policy in January 1997;

5. Also requests the Executive Director to report to the Executive Board at its second regular session 1997 on the observations made in the Joint Committee on Health Policy and to make further recommendations as appropriate on the action needed for the Executive Board of the United Nations Development Programme and of the United Nations Population Fund to obtain full membership.

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XIV. OTHER MATTERS

Accountability in UNDP

238. The Administrator, in opening, stated that the framework for accountability presented in the report had been identified through an extensive and consultative process undertaken within UNDP with the assistance of external consultants and would provide the links among a number of individual accountability systems that had functioned well but on an individual rather than an integrated basis. One key element of the framework identified by the Administrator was the Management Review/Oversight Committee, which he had established to facilitate the process for providing assurance to the Executive Board that the UNDP accountability system operated effectively.

239. The Associate Administrator introduced the report of the Administrator on accountability in UNDP (DP/1996/35). He reiterated the commitment within UNDP to put the accountability framework in place. He highlighted a number of important elements already or soon to be in effect, including the application of the performance appraisal system at the senior levels of UNDP; the establishment of a central database to track the implementation of audit recommendations; and the issuance of biannual circulars to inform staff of accountability sanctions applied to staff performance and conduct.

240. Delegations emphasized the importance of the undertaking, citing its timeliness and necessity to enable UNDP to be more efficient, effective and credible. It was recognized by many delegations that the report presented a promising start. Several speakers requested the Administrator to ensure that the accountability system included systematic monitoring and evaluation, internal and external audit, programme and project reviews, line management

supervision and compliance throughout the organization, oversight by UNDP senior management, reporting to the Executive Board, and involvement of such bodies as the Advisory Committee on Administrative and Budgetary Questions and the Office for Internal Oversight Services. Accountability must underpin all UNDP operations, particularly in view of decentralization. Speakers also emphasized the importance of the relationship between the UNDP secretariat and the Executive Board. In that respect, delegations called for transparent reporting. One speaker requested more formal reporting on the implementation of the accountability framework.

241. The Executive Board approved the following decision:

96/36. Report on accountability in the United Nations Development Programme

The Executive Board

1. Notes the report of the Administrator on accountability in the United Nations Development Programme;

2. Supports the direction being pursued by the United Nations Development Programme to make it a more effective, efficient and accountable organization;

3. Requests the Administrator to report informally at each session of the Executive Board on the progress made to implement the accountability framework.

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242. One delegation underscored the extensive development efforts of UNDP in his country, particularly in promoting democratic changes. He also recognized with gratitude the recent visit of the Administrator. His delegation was grateful for the Executive Board's action regarding the granting of an independence bonus to his country, which would allow for the implementation of new projects. He noted the need for increased financing for countries of the Commonwealth of Independent States as well as the need for increased personnel at the regional and country levels. He expressed his support for an earlier intervention regarding the issue of decentralization of the Regional Bureau for Europe and the Commonwealth of Independent States.

Conclusion of the session

243. The Executive Board concluded its work by adopting the following decision:

96/46. Overview of decisions adopted by the Executive Board at its third regular session 1996

The Executive Board

Recalls that during the third regular session 1996 it:

ITEM 1: ORGANIZATIONAL MATTERS

Approved the agenda and work plan for its third regular session 1996 (DP/1996/L.16 and Add.1);

Approved the following schedule of future sessions of the Executive Board subject to the approval of the Committee on Conferences:

First regular session 1997: 13-17 January 1997

Second regular session 1997: 10-14 March 1997

Annual session 1997: 12-23 May 1997

Third regular session 1997: 15-19 September 1997

ITEM 2: MATTERS RELATING TO RULES OF PROCEDURE, DOCUMENTATION AND THE FUNCTIONING OF THE EXECUTIVE BOARD

Adopted decision 96/45 of 13 September 1996 on documentation;

Took note of the interim report on rules of procedure (DP/1996/CRP.12);

ITEM 3: ANNUAL WORK PLAN FOR 1997 FOR THE UNDP/UNFPA EXECUTIVE BOARD

Took note of the outlines of UNDP and UNFPA issues proposed for consideration by the Executive Board in 1997 with the comments made thereon (DP/1996/CRP.13);

UNDP SEGMENT

ITEM 4: MATTERS RELATING TO PROGRAMMING CYCLES: FOLLOW-UP TO EXECUTIVE BOARD DECISION 95/26

Took note of the report on the implementation of decision 95/26 on matters relating to programming cycles (DP/1996/27);

ITEM 5: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

Adopted decision 96/44 of 13 September 1996 on the annual review of the financial situation 1995;

Took note of the annual review of net flow of contributions by donor and recipient Governments (DP/1995/28/Add.1);

Took note of the review of trust fund established by the Administrator in 1992-1994 and 1995 (DP/1996/28/Add.2);

Adopted decision 96/40 of 13 September 1996 on management, accountability and the Reserve for Field Accommodation;

Adopted decision 96/39 of 13 September 1996 on UNDP Financial Regulations and Rules;

Adopted decision 96/41 of 13 September 1996 on UNDP revised budget estimates for the biennium 1996-1997;

Took note of the report of the Advisory Committee for Administrative and Budgetary Questions on the revised budget estimates for 1995-1996 biennium and budget estimates for the 1996-1997 biennium (DP/1996/30);

Adopted decision 96/35 of 10 September 1996 on the Inter-Agency Procurement and Services Office;

Took note of the report on the United Nations system regular and extra-budgetary technical cooperation expenditures (DP/1996/32 and Add.1);

Took note of the report on follow-up information pertaining to cost segments at headquarters in New York (DP/1996/37);

Took note of the report on follow-up to decision 96/21 on support to resident coordinators (DP/1996/CRP.18);

Took note of the follow-up information on the financial situation (DP/1996/CRP.19);

ITEM 6: UNITED NATIONS OFFICE FOR PROJECT SERVICES

Adopted decision 96/37 of 11 September 1996 on the United Nations Office for Project Services revised budget estimates for the biennium 1996-1997 (DP/1996/36);

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the United Nations Office for Project Services revised budget estimates for the biennium 1996-1997 (DP/1996/38);

ITEM 7: COUNTRY PROGRAMMES AND RELATED MATTERS

Approved the first country cooperation framework for the People's Republic of China (DP/CCF/CPR/1);

Approved the first country cooperation framework for Viet Nam (DP/CCF/VIE/1);

Adopted decision 96/42 of 13 September 1996 on the global cooperation framework;

ITEM 8: UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

Adopted decision 96/43 of 13 September 1996 on the United Nations Development Fund for Women;

UNDP/UNFPA SEGMENT

ITEM 9: UNFPA/UNDP: HARMONIZATION OF PRESENTATION OF BUDGETS AND ACCOUNTS

Took note of the oral report of the Administrator of UNDP and the Executive Director of UNFPA;

ITEM 10: REPORT ON FIELD VISIT OF THE EXECUTIVE BOARD

Took note of the report of the field visits of the Executive Board to Malawi and Mozambique (DP/1996/CRP.14);

UNFPA SEGMENT

ITEM 11: UNFPA: FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

Took note of the annual financial review, 1995 (DP/FPA/1996/22);

ITEM 12: UNFPA: COUNTRY PROGRAMMES AND RELATED MATTERS

Approved assistance to the Government of Honduras (DP/FPA/CP/154);

Approved assistance to the Government of Sri Lanka (DP/FPA/CP/155);

Approved assistance to the Government of Tunisia (DP/FPA/CP/156);

Approved assistance to the Palestinian People (DP/FPA/CP/157);

Approved assistance to the Government of Viet Nam (DP/FPA/CP/158);

Approved assistance to the Government of Cambodia (DP/FPA/CP/159);

Approved assistance to the Government of Zimbabwe (DP/FPA/CP/160);

Approved request for extension of, and additional resources for, the UNFPA country programme for Cuba (DP/FPA/1996/23);

Approved request for extension of, and additional resources for, the UNFPA country programme for Madagascar (DP/FPA/1996/24);

Approved request for extension of, and additional resources for, the UNFPA country programme for Bolivia (DP/FPA/1996/25);

Approved request and additional resources for the UNFPA country programme for Ethiopia (DP/FPA/1996/26);

ITEM 13: UNFPA: INTER-AGENCY COORDINATION IN HEALTH POLICY AND PROGRAMMING

Adopted decision 96/38 of 13 September 1996 on inter-agency coordination in health policy and programming;

ITEM 14: OTHER MATTERS

Adopted decision 96/36 of 11 September 1996 on the report on accountability in UNDP.

13 September 1996

EXECUTIVE BOARD OF UNDP/UNFPA

ALLOCATION OF SUBJECTS FOR FIRST REGULAR SESSION
(13-17 JANUARY 1997)

Item 1. Organizational matters

- Annual work plan 1997
- Rules of procedure

UNDP segment

Item 2. Country cooperation frameworks and related matters

- Country cooperation frameworks
- Regional and global cooperation frameworks
- Report on assistance to Myanmar (96/01)

Item 3. Financial, budgetary and administrative matters

- Audit reports (95/3)
- Implementation of decision 96/40 on management, accountability and the Reserve for Field Accommodation
- Report on the accountability system of UNDP

Item 4. United Nations Development Fund for Women

UNDP/UNFPA segment

Item 5. Harmonization of presentation of budgets and accounts (written report)

UNFPA segment

Item 6. Country programmes and related matters

Item 7. Financial, budgetary and administrative matters

- Audit reports

Item 8. Other matters